

AGENDA

UTAH COUNTIES INDEMNITY POOL BOARD OF DIRECTORS MEETING

Thursday, April 19, 2018, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

12:30 Open Meeting, Pledge of Allegiance

Bruce Adams

ITEM ACTION

1.	Welcome and Introduction of New Board Member, Blaine Breshears	Bruce Adams
2.	Review/Excuse Board Members Absent	Bruce Adams
3.	Review/Approve February 15, 2018 Meeting Minutes	Karla Johnson
4.	Ratification/Approval of Payments and Credit Card Transactions	Karla Johnson
5.	Review/Approve Actuarial Reserve Analysis	Johnnie Miller
6.	Audit Committee Report—Review/Approve 2017 Financial Audit	Karla Johnson
7.	Review/Approve First Quarter Financial Statements	Sonya White
8.	Review/Approve County Related Entities Membership	Mike Wilkins
9.	Review/Approve Coverage Addendum Amendments—Member Endorsement	Johnnie Miller
10.	Review/Approve GRAMA Policy Amendments	Sonya White
11.	Review/Approve Meeting Rules of Order and Procedure	Johnnie Miller
12.	Review/Approve Minutes, Recordings and Records Policy	Sonya White
13.	Review/Approve Purchasing Policy Amendments	Johnnie Miller
14.	Review/Approve Pre Loss Legal Program Hotline	Johnnie Miller
15.	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
16.	Action on Litigation Matters	Bruce Adams
17.	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
18.	Action on Personnel Matters	Bruce Adams
19.	Review/Approve Reinstatement of UCIP Workshops	Johnnie Miller

INFORMATION

20.	Review Director/Officer Conflict of Interest Statements	Bret Millburn
21.	Seventh Amended Interlocal Implementation	Johnnie Miller
22.	Education and Training Report	Alex Getts
23.	Chief Executive Officer's Report	Johnnie Miller
24.	Other Business	Bruce Adams

Electronic Meeting Notice: 515-604-9807, Participant Passcode: 675642 Anchor Location: 5397 S Vine, Murray, UT

5397 S Vine Street, Murray, UT 84107-6757
(801)565-8500 & ucip.utah.gov



Entity: Utah Counties Indemnity Pool

Body: Board of Directors

Subject:	Administrative Services
Notice Title:	Board of Directors Meeting
Meeting Location:	5397 South Vine Street Murray 84107
Event Date & Time:	April 19, 2018 April 19, 2018 12:30 PM - April 19, 2018 03:30 PM
Description/Agenda:	<p>Welcome and Introduction of New Board Member, Blaine Breshears</p> <p>Review/Excuse Board Members Absent</p> <p>Review/Approve February 15, 2018 Meeting Minutes</p> <p>Ratification/Approval of Payments and Credit Card Transactions</p> <p>Review/Approve Actuarial Reserve Analysis</p> <p>Audit Committee Report-Review/Approve 2017 Financial Audit</p> <p>Review/Approve First Quarter Financial Statements</p> <p>Review/Approve County Related Entities Membership</p> <p>Review/Approve Coverage Addendum Amendments-Member Endorsement</p> <p>Review/Approve GRAMA Policy Amendments</p> <p>Review/Approve Meeting Rules of Order and Procedure</p> <p>Review/Approve Minutes, Recordings and Records Policy</p> <p>Review/Approve Purchasing Policy Amendments</p> <p>Review/Approve Pre Loss Legal Program Hotline</p> <p>Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation</p> <p>Action on Litigation Matters</p> <p>Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual</p> <p>Action on Personnel Matters</p> <p>Review/Approve Reinstatement of UCIP Workshops</p> <p>Review Director/Officer Conflict of Interest Statements</p> <p>Seventh Amended Interlocal Implementation</p> <p>Education and Training Report</p> <p>Chief Executive Officer's Report</p> <p>Other Business</p>

Notice of Special Accommodations:	<p>In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, 5397 S Vine St, Murray, UT 84107-6757, or call 801-565-8500, at least three days prior to the meeting.</p>
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Notice of Electronic or telephone participation:	Any Member of the Utah Counties Indemnity Pool Board of Directors may participate telephonically.
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Other information:

Contact Information:	Sonya White (801)307-2113 sonya@ucip.utah.gov
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Posted on:	April 17, 2018 04:14 PM
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Last edited on:	April 17, 2018 04:14 PM
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**BOARD OF DIRECTORS' MEETING:
MINUTES**

April 19, 2018, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Bret Millburn, *Vice President*, Davis County Commissioner
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor
Alma Adams, Iron County Commissioner
Blaine Breshears, Morgan County Sheriff
William Cox, Rich County Commissioner
Jim Kaiserman, Wasatch County Surveyor
Mike Wilkins, Uintah County Clerk/Auditor
Mark Whitney, Beaver County Commissioner

BOARD MEMBERS ABSENT

Deb Alexander, Davis County Human Resources Director
James Ebert, Weber County Commissioner
Dale Eyre, Sevier County Attorney
Victor Iverson, Washington County Commissioner

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Alex Getts, UCIP Education & Training Specialist

Call to Order

Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 12:30 p.m. on April 19, 2018, and welcomed those in attendance. James Kaiserman led the Pledge of Allegiance.

Welcome and Introduction of New Board Member, Blaine Breshears

Bruce Adams welcomed and introduced Blaine Breshears as the new Board Member and Law Enforcement Committee Chair for UCIP.

Review/Excuse Board Members Absent

William Cox made a motion to excuse Deb Alexander, Dale Eyre, and Victor Iverson from this meeting. James Kaiserman seconded the motion, which passed unanimously. James Ebert's Office called to let the Board know he would be late for the meeting but never arrived.

Review/Approve February 15, 2018 Meeting Minutes

The draft minutes of the Board of Directors meeting held February 15, 2018 were previously sent to the Board Members for review (see attachment number one). William Cox made a motion to approve the February 15, 2018 Board of Directors meeting minutes as written. Alma Adams seconded the motion, which passed unanimously.

Request to Amend the Agenda

Bret Millburn made a motion to amend agenda item number 21 to be moved to number 15. James Kaiserman seconded the motion, which passed unanimously.

Ratification/Approval of Payments and Credit Card Transactions

Karla Johnson reported that she has reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of April 19, 2018 (see attachment number two). Karla Johnson made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve Actuarial Reserve Analysis

Johnnie Miller reported that, per actuarial review, the expected reserves at an undiscounted investment rate to cover UCIP's claims at the year ending December 31, 2017 are \$8.9 million. Miller noted a change from the prior year's actuarial report (see attachment number three), indicating this year would result in a decrease in estimated reserves on prior years of \$313,899.00. Miller indicated that the prior year's claims had spiked because of half-a-dozen jail suicides. Miller presented case reserves, including \$3.965 million in current claims, IBNR of \$4.926 million, and \$84,300 in unallocated loss adjustment expenses. Miller asked for the Board to approve these estimates, totaling \$8,975,925 for estimated loss reserves. Mike Wilkins made a motion to approve the actuaries estimated reserves. Jim Kaiserman seconded the motion, which passed unanimously.

Audit Committee Report – Review/Approve 2017 Financial Audit

Karla Johnson reported that the Audit Committee met with the independent auditors, Larson and Company to review the draft audit of UCIP's 2017 financial statements (see attachment number four). Johnson reported that the auditors offered an unqualified opinion, meaning there were no significant findings, and that the financial statements fairly represented UCIP's financial position. The auditors found nothing related to UCIP's internal controls that needed to be adjusted. In the 2017 financials, UCIP's IBNR was increased by \$1,085,933. The change in net position totaled \$268,462 from the prior year's audit. The audit finds a healthy operating cash flow. Miller reported that in 2016, there was a positive net position change of \$1,480,703. In 2017, the positive net position change totals \$268,263. Mike Wilkins made a motion to accept the Audit Committee's Report and the 2017 audit of UCIP's financial statements. William Cox seconded the motion, which passed unanimously.

Review/Approve First Quarter Financial Statements

Sonya White presented 2018 first quarter financial statements to the Board (see attachment number five). White discussed investments totaling \$900,000 at the end of the quarter, a \$42,000 increase from year ending 2017. The value stated for land UCIP owns has remained consistent. Overall capital assets (i.e. furniture) have depreciated. Johnnie Miller indicated that real property UCIP owns at 11000 South 700 East in Sandy has not reached a market value equal to the costs of the original purchase. White stated UCIP's investments include equity in County Reinsurance Limited (CRL), which increased \$101,000 in 2017. Reserves for loss and loss adjustment expenses total \$8.975 million. Net pension liabilities, deferred outflows and inflows are Utah Retirement Systems (URS) required entries. The total net position increased \$608,683 from year ending December 31, 2017. As of the first quarter, losses and loss adjustment expenses are at 21% of budgeted and administrative expenses are at 22% of budgeted. Mark Whitney made a motion to approve the first quarter financial statements as presented. Karla Johnson seconded the motion, which passed unanimously.

Review/Approve County Related Entities Membership

Mike Wilkins provided a membership application summary report for Box Elder Special Service District (see attachment number six). Based on the recommendation of staff, Mike Wilkins made a motion to approve the Box Elder Special Service District as a qualified participating member of the Pool. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Coverage Addendum Amendments – Member Endorsement

Johnnie Miller recommended adding Duchesne/Wasatch Bluebench Landfill Special Service District, Juab Special Service District #2, Wayne Special Service District #3, and Wayne Water Conservation District to the Participating Members Endorsements and the other endorsements naming all members in the UCIP Coverage Addendum (see attachment number seven). William Cox made a motion to approve adding these new members to the Coverage Addendum endorsements. Jim Kaiserman seconded the motion, which passed unanimously.

Review/Approve GRAMA Policy Amendments

Sonya White reviewed the GRAMA policy with the Board (see attachment number eight). An amendment was proposed to add the cost of printing and time to respond to GRAMA requests. Mike Wilkins made a motion to amend the proposed copying fee to \$0.25 per page and that the rate per hour for time includes employee benefits. Alma Adams seconded the motion, which passed unanimously.

Johnnie Miller indicated that, as GRAMA requests increase, the Board may want to include language on the handling of GRAMA requests in the policy at the next review. Karla Johnson explained that there is a ten day window to respond as to what the cost will be for a request. Johnson further stated that Kane County's policy states that if an entity accepts a GRAMA request, the fees must be paid before performing the work to respond. Blaine Breshears, who sat on the State GRAMA Board, explained that a five-day extension can be requested for responding to requests.

Review/Approve Meeting Rules of Order and Procedure

Johnnie Miller provided the Board with a new Board Meeting Rules of Order and Procedure Policy to adhere to a new statute for Interlocal agencies that require a *policy of order* (see attachment number nine). Based on past practice of the Board, Miller explained this draft policy is a condensed version of Robert's Rules of Order. Amendments included a process to remove a provision allowing second motions to be made while a motion is already on the floor, but does allow for participants to ask for a friendly amendment. William Cox stated that the framework of Robert's Rules of Order should be implementing for the adoption of motions so that the tools are still in place during contentious debates. Miller suggested that the Board consider adopting the draft policy as presented, so the Board will be in compliance with State statute, and then continue discussions at the Board's Strategic Planning meeting in August. Mark Whitney made a motion to adopt the Board Meeting Rules of Order and Procedure Policy as written. Alma Adams seconded the motion, which passed unanimously.

Review/Approve Minutes, Recordings and Records Policy

Sonya White provided the Board with a draft Minutes, Recordings and Records of Meetings Policy (see attachment number 10). Bret Millburn made a motion to approve the Minutes, Recordings and Records of Meetings Policy as written. Alma Adams seconded the motion, which passed unanimously.

Review/Approve Purchasing Policy Amendments

Johnnie Miller provided the Board with amendments to the Purchasing Policy (see attachment number 11). As directed by the Board, language was added to the Policy that the *evaluation of proposals shall be conducted by a committee of at least two persons, one of whom shall be the Purchasing Agent, as appointed by the Board*. Also, language is proposed to replace *guilty of a felony* with *subject to discipline up to and including termination* in the last paragraph of the policy. William Cox made a motion to approve amendments to the Purchasing Policy as written. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Pre Loss Legal Program Hotline

Johnnie Miller recommended, in the absence of Dale Eyre at this meeting, that the Board request that the Litigation Management Committee propose a program for pre-loss legal assistance to the Board at their next meeting. William Cox made a motion to strike agenda item: Review/Approve Pre Loss Legal Program Hotline. Jim Kaiserman seconded the motion, which passed unanimously.

Seventh Amended Interlocal Implementation

Johnnie Miller reported to the Board that several County Related Entities have not signed the Seventh Amended Interlocal Agreement, sent to Members in December. Miller explained that the Pool cannot operate under the new Agreement until all Members have executed, signed and filed the Agreement. Staff is working diligently with these entities in order to have the Agreement filed with UCIP. Alma Adams made a motion directing staff to exercise a June 1 termination date if the Agreement is not filed with UCIP. Jim Kaiserman seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Bret Millburn made a motion to strike agenda item: Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation. Alma Adams seconded the motion, which passed unanimously.

Action on Litigation Matters

Bret Millburn made a motion to strike agenda item: Action on Litigation Matters. Alma Adams seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Bret Millburn made a motion to strike agenda item: Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual. Alma Adams seconded the motion, which passed unanimously.

Action on Personnel Matters

Bret Millburn made a motion to strike agenda item: Action on Personnel Matters. Alma Adams seconded the motion, which passed unanimously.

Review/Approve Reinstatement of UCIP Workshops

Johnnie Miller reported to the Board that UCIP training workshops, which were integrated into the last two Utah Association of Counties (UAC) annual Management Conferences, have left many of the Member employees unable to attend needed training because of the cost. Miller recommended that the Board approve staff to offer the Facilities Management, Fair & Events, Personnel and Planning & Zoning workshop again to counties and county related entities. The Board agreed that the workshops are a beneficial risk management tool and directed staff to work on a schedule for the dates of the workshops for discussion at the Board's Strategic Planning meeting in August.

Review Director/Officer Conflict of Interest Statements

Bret Millburn reported that all conflict of interest forms had been submitted, with the exception of Blaine Breshears and Mark Whitney, who would be submitting theirs to Sonya White. The only listed potential conflict is Johnnie Miller's work with the Foundation for Integrated Resource Management (FIRM). Miller stated that he does not believe this is a conflict, but submitted the form for transparency purposes.

Education and Training Report

Alex Getts reported that the Risk Coordinators Workshop, held on April 11, 2018, was attended by approximately 30 of the members. Video of the presentations are online for those Coordinators who were unable to attend.

Alex Getts reported on the creation and implementation of the online Board of Directors Manual, available through the UCIP website, including how to access the Manual, and the information that the Manual contains for the benefit of the Board of Directors. Getts reported that by having the Manual online, it will be easier to continually update for the benefit of the Board.

Chief Executive Officer's Report

Johnnie Miller reported that Alex Getts has been assisting Doug Perry with the Utah Association of Counties (UAC) April Management Conference being held this month in St. George. Although UCIP will not be coordinating the training component of the Conference, due to UAC combining the Conference with the Utah League of Cities and Towns, Perry is keeping Getts busy.

Johnnie Miller reported that he attended the Western States Pool Director's meeting. The meeting was very beneficial in that he exchanged sample policies with other directors and has discussed getting Western States Pool Claims Managers together. Miller reported that Korby Siggard is coordinating that effort.

Johnnie Miller reported that he and Alex Getts attended the 2018 Local Government Human Resource Conference. Many of the topics were beneficial and may be used when customizing the topics for UCIP's Personnel Workshop.

Johnnie Miller reported that he has drafted an agreement between UAC and UCIP providing a framework regarding the shared use of the building and joint projects. Miller will be working with Jill Brown for the Board to review at its Strategic Planning Meeting in August.

Chief Executive Officer's Report (continued)

Johnnie Miller discussed Strategic Planning discussion items with the Board. Items include: Open Meetings Act Training, Mission and Goal Objectives, Claims Reporting, Policy Review, Work Load of the Board, Use of Committees, and UAC/UCIP Agreement. Miller asked that Board members let President Adams or Miller know of any other items they would like to have on the agenda for the Strategic Planning meeting.

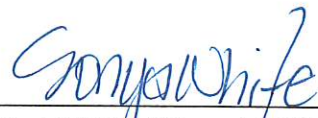
Other Business

The issue of protecting county officials from frivolous lawsuits was brought up for discussion again by Mark Whitney. Whitney explained that the Utah Local Governments Trust (ULGT) is affirming to counties that their organization will cover criminal investigations no matter the allegations. Johnnie Miller explained that if an investigation is of a criminal nature, UCIP cannot cover the defense and neither can ULGT. ULGT is even more limited than UCIP. If the investigation is related to a tort liability issue then UCIP has the option to cover defense costs. Bruce Adams explained that when these types of allegations began to surface, the State Legislature created Rural Utah Alliance (RUA), based on attorney Peter Stirba's concept, to cover defense. San Juan County was denied defense when it made a request to RUA. Miller stated that he will meet with legislators, including Senator Bramble who had a bill open last session to amend the Ethics Act in regards to frivolous lawsuits. Miller will write a paper regarding the issue for the Board to review at their next meeting.

The next meeting of the Board of Directors will be held Thursday, June 21, 2018 at 12:30 p.m. at the UAC/UCIP Offices, 5397 S Vine, Murray, Utah.

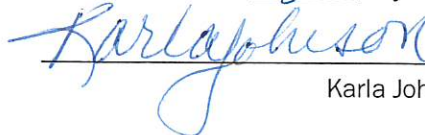
William Cox made a motion to adjourn the meeting of the Utah Counties Indemnity Pool Board of Directors at 3:30 p.m. on April 19, 2018. Mike Wilkins seconded the motion, which passed unanimously.

Prepared by:



Sonya White, UCIP Chief Financial Officer

Submitted on this 20 day of June 2018



Karla Johnson, Secretary/Treasurer

Approved on this 20 day of June 2018



Bruce Adams, President

UTAH COUNTIES INDEMNITY POOL

PAYMENTS AND CREDIT CARD TRANSACTIONS

February 16 - April 19, 2018

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
500-000000-10010100 ZionsMLC					
02/20/2018	Check	ACH	Millard County	Claim: MIL0000162018	-1,698.43
02/20/2018	Check	ACH	Millard County	Claim: MIL0000152018	-1,736.07
02/20/2018	Check	ACH	Weber County	Claim: WEB0000652017	-953.59
02/20/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37745	-603.10
02/20/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37744	-1,555.00
02/20/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37743	-524.50
02/20/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37742	-2,319.50
02/20/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 608333	-405.00
02/20/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 608335	-8,247.85
02/20/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 608336	-3,954.90
02/20/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 608337	-3,246.57
02/20/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 608338	-6,341.95
02/20/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 608339	-863.06
02/22/2018	Check	BILLPAY	Enterprise Rent-A- Car, Inc.	Invoice: IAG4709	-113.58
02/28/2018	Check	ACH	Mylar Law, PC	Invoice: 20170024	-8,553.67
03/02/2018	Check	BILLPAY	David Scott Phillips	Claim: WAT0000142018	-828.35
03/08/2018	Deposit		Pilar and Steven Brenchley	Stop Payment Confirmation: 564208	837.54
03/08/2018	Expense			STOP PAYMENT FEE	-9.00
03/09/2018	Check	ACH	Davis County	Claim: DAV0000432018	-2,000.25
03/09/2018	Check	ACH	Davis County	Claim: DAV0000442018	-2,343.29
03/09/2018	Check	ACH	Duchesne County	Claim: DUC0000042018	-4,605.75
03/09/2018	Check	ACH	Kane County	Claim: KAN0000102017	-4,287.69
03/09/2018	Check	ACH	Piute County	Claim: PIU0000052018	-2,751.43
03/09/2018	Check	ACH	Suitter Axland	Invoice: 1289545	-1,547.91
03/09/2018	Check	ACH	Suitter Axland	Invoice: 1289544	-1,992.96
03/09/2018	Check	ACH	Suitter Axland	Invoice: 1289537	-4,554.06
03/09/2018	Check	ACH	Suitter Axland	Invoice: 1289534	-2,470.49
03/09/2018	Check	ACH	Mylar Law, PC	Invoice: 20180030	-4,342.00
03/09/2018	Check	ACH	Mylar Law, PC	Invoice: 20180034	-4,799.03
03/09/2018	Check	ACH	Mylar Law, PC	Invoice: 20180035	-13,859.66
03/09/2018	Check	ACH	Mylar Law, PC	Invoice: 20180029	-3,691.69
03/09/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00308	-2,745.00
03/09/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00305	-4,545.50

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
03/09/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00307	-11,908.00
03/09/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00306	-510.00
03/15/2018	Check	BILLPAY	Washington County	Claim: WAS0000162018	-277.43
03/15/2018	Check	BILLPAY	David Scott Phillips	Claim: WAT0000142018	-42.50
03/20/2018	Check	ACH	Goebel Anderson PC	Invoice: 2170	-2,985.00
03/20/2018	Check	ACH	Goebel Anderson PC	Invoice: 2171	-2,677.50
03/20/2018	Check	ACH	Goebel Anderson PC	Invoice: 2172	-6,899.50
03/20/2018	Check	ACH	Goebel Anderson PC	Invoice: 2173	-2,660.50
03/20/2018	Check	ACH	Mylar Law, PC	Invoice: 20180038	-2,840.00
03/20/2018	Check	ACH	Ismael Medina	Claim: WHS0000312018	-2,349.75
03/21/2018	Expense		Zions Bank	SERVICE AND TRANSACTION FEES	-24.00
03/22/2018	Check	BILLPAY	Allstate Payment Center	Invoice: 0483526505 ART	-1,619.62
03/22/2018	Check	BILLPAY	Enterprise Rent-A- Car, Inc.	Invoice: IAG4709	-113.58
03/22/2018	Check	BILLPAY	John Knippa, PhD	Invoice: 1803091	-14,083.40
03/22/2018	Deposit		Pilar and Steven Branchley	WHS0000282017 - Stop Payment: 564208	837.54
03/22/2018	Check	ACH	McKenna Vanbiber	Claim: WEB0000712018	-930.63
03/22/2018	Check	ACH	Kim Walker	Claim: BOX0000102018	-3,493.65
03/26/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 615737	-4,919.65
03/26/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 615736	-12,850.70
03/26/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 615738	-2,427.20
03/26/2018	Check	ACH	Mylar Law, PC	Invoice: 20180043	-2,562.00
03/26/2018	Check	ACH	Mylar Law, PC	Invoice: 20180044	-1,473.60
03/26/2018	Check	ACH	Stirba, PC	Invoice: 0101724478	-3,535.95
03/29/2018	Check	BILLPAY	Brent Boyden	Claim: WAT0000152018	-3,097.58
03/30/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37747	-9,086.38
03/30/2018	Check	ACH	Mylar Law, PC	Invoice: 20180047	-4,651.00
03/30/2018	Check	ACH	Davis County	Claim: DAV0000432018	-178.80
03/30/2018	Check	ACH	Kane County	Claim: KAN0000132018	-3,304.53
03/30/2018	Check	ACH	Mindy Dyson	Claim: DAV0000452018	-1,469.72
04/10/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37751	-6,294.50
04/10/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00313	-3,171.71
04/10/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00312	-7,504.96
04/10/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00311	-3,010.00
04/10/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00310	-3,397.34
04/10/2018	Check	ACH	Mylar Law, PC	Invoice: 20180048	-11,959.15

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
04/10/2018	Check	ACH	Strong & Hanni	Invoice: 179959	-1,871.50
04/10/2018	Check	ACH	Strong & Hanni	Invoice: 179961	-1,582.15
04/10/2018	Check	ACH	Strong & Hanni	Invoice: 179960	-5,979.50
04/10/2018	Check	ACH	Suitter Axland	Invoice: 1289606	-3,887.10
04/10/2018	Check	ACH	Suitter Axland	Invoice: 1289603	-2,012.17
04/10/2018	Check	ACH	Suitter Axland	Invoice: 1289602	-5,685.00
04/10/2018	Check	ACH	Suitter Axland	Invoice: 1289601	-6,848.48
04/10/2018	Check	ACH	Suitter Axland	Invoice: 1289599	-1,795.68
04/10/2018	Check	ACH	Suitter Axland	Invoice: 1289596	-3,841.09
04/10/2018	Check	ACH	Suitter Axland	Invoice: 1289595	-345.80
04/10/2018	Check	ACH	Davis County	Claim: DAV0000462018	-1,321.67
04/10/2018	Check	ACH	Piute County	Claim: PIU0000062018	-8,480.81
04/10/2018	Check	ACH	Steve Statham	Claim: WEB0000722018	-1,428.21
04/13/2018	Check	BILLPAY	Thane Palmer	Claim: WAS0000172018	-953.70
04/17/2018	Check	ACH	Goebel Anderson PC	Invoice: 2213	-4,550.00
04/17/2018	Check	ACH	Goebel Anderson PC	Invoice: 2211	-3,850.00
04/17/2018	Check	ACH	Goebel Anderson PC	Invoice: 2212	-5,565.00
04/17/2018	Check	ACH	Mylar Law, PC	Invoice: 20170052	-4,243.00
04/17/2018	Check	ACH	Mylar Law, PC	Invoice: 20180050	-3,070.00
04/19/2018	Check	BILLPAY	Washington County	Claim: WAS0000142017	-1,000.00
04/19/2018	Check	BILLPAY	Kevin Rosa	Claim: WAS0000222018	-2,546.13

Total for 500-000000-10010100 ZionsMLC

**\$ -
309,982.57**

500-000000-10010100 ZionsMLE

02/16/2018	Deposit		SAJT		1,443.00
02/16/2018	Expense		IRS	IRS 3387702000USATAX IRS 3387702000USATAXPYMTCCD270844741201057UTAH COUNTIES INDEMNITREF # 018046000885319	-4,601.23
02/16/2018	Deposit		CRL		108,570.89
02/21/2018	Expense		Zions Bank	SERVICE AND TRANSACTION FEES	-233.84
02/22/2018	Check	ACH	Public Employees Health Program	Invoice: 01223414484	-7,215.07
02/22/2018	Check	ACH	James Kaiserman	Mileage Reimbursement 02/15/2018 Board Meeting	-52.43
02/22/2018	Check	ACH	Karla Johnson	Mileage Reimbursement 02/15/2018 Board Meeting	-323.83
02/22/2018	Check	ACH	William Cox	Mileage Reimbursement 02/15/2018 Board Meeting	-106.00
02/22/2018	Check	ACH	Marty Stevens	Mileage Reimbursement DUC	-122.96
02/22/2018	Bill Payment (Check)	ACH	Arthur J. Gallagher & Co.	Invoice: 2462466	-100.00
02/22/2018	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 24657	-20.00
02/22/2018	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 24654	-902.12
02/26/2018	Check	BILLPAY	Deb Alexander	Mileage Reimbursement 02/15/18 Board Meeting	-13.78
02/26/2018	Check	BILLPAY	Iron County	Mileage Reimbursement 02/15/2018 Board Meeting	-119.78
02/26/2018	Check	BILLPAY	Bret Millburn	Mileage Reimbursement 02/15/2018 Board Meeting	-26.50
02/26/2018	Check	BILLPAY	Bruce Adams	Mileage Reimbursement 02/15/2018 Board Meeting	-297.54

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
02/26/2018	Check	BILLPAY	Mike Wilkins	Mileage Reimbursement 02/15/2018 Board Meeting	-184.44
02/26/2018	Bill Payment (Check)	BILLPAY	Utah Media Group	Invoice: I0119173101192018	-122.50
02/26/2018	Deposit		KRT		1,785.00
02/27/2018	Payroll Check	DD	Sonya J. White	Pay Period: 02/16/2018-02/28/2018	-2,034.43
02/27/2018	Payroll Check	DD	Alexander Getts	Pay Period: 02/16/2018-02/28/2018	-1,111.93
02/27/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 02/16/2018-02/28/2018	-5,311.88
02/27/2018	Payroll Check	DD	Korby M. Siggard	Pay Period: 02/16/2018-02/28/2018	-2,423.72
02/27/2018	Payroll Check	DD	Marty L. Stevens	Pay Period: 02/16/2018-02/28/2018	-1,505.02
02/28/2018	Bill Payment (Check)	ACH	Henriksen/Butler Design Group	Invoice: 67467	-762.81
02/28/2018	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA766890	-115.03
02/28/2018	Check	ACH	PEHP-LTD	Agency: 1076	-214.67
02/28/2018	Bill Payment (Check)	ACH	By The Numbers Actuarial Consulting, Inc.	Invoice: 2018-060	-7,000.00
02/28/2018	Check	ONLINE	Utah Retirement Systems	Confirmation: 02274509338	-8,024.88
02/28/2018	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,412.24
02/28/2018	Expense		IRS	IRS 3387702000USATAX IRS 3387702000USATAXPYMTCCD270845971597468UTAH COUNTIES INDEMNITREF # 018059008002904	-4,472.26
02/28/2018	Check	ADJ		Reconcile Adjustment	-0.01
03/01/2018	Deposit		Suitter Axland	IRO0001052011 (Retainer Refund)	3,634.38
03/02/2018	Expense		UT State Tax Commission	UTAH801/297-77039588805001TAX PA UTAH801/297- 77039588805001TAX PAYMNTWEB 2047024640UTAH COUNTIES INDEMNITREF # 018060009195515	-1,520.68
03/08/2018	Transfer			Confirmation: 1520802940129664	-70,000.00
03/12/2018	Check	ACH	James Kaiserman	Expense Reimbursement AGRIP	-284.88
03/12/2018	Check	ACH	Johnnie R. Miller	Expense Reimbursement	-574.92
03/12/2018	Check	ACH	Korby M. Siggard	Expense Reimbursement	-59.38
03/12/2018	Bill Payment (Check)	ACH	End Point Corporation	Invoice: UC11801	-60.00
03/12/2018	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15274	-116.00
03/12/2018	Bill Payment (Check)	ACH	Larson & Company	Invoice: 22409859	-9,008.53
03/12/2018	Bill Payment (Check)	ACH	Revco Leasing Company, LLC	Invoice: 488209	-435.91
03/12/2018	Bill Payment (Check)	ONLINE	American Express	3-41009	-4,643.37
03/12/2018	Bill Payment (Check)	ONLINE	Bankcard Center		-60.85
03/12/2018	Deposit		State Farm		25,000.00
03/14/2018	Check	BILLPAY	Mike Wilkins	Expense Reimbursement AGRIP	-237.00
03/14/2018	Check	BILLPAY	Sonya J. White	Expense Reimbursement AGRIP	-218.60
03/14/2018	Check	BILLPAY	Sonya J. White	Expense Reimbursement	-155.89

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
03/14/2018	Bill Payment (Check)	BILLPAY	Utah Media Group	Account: 4001494342	-844.46
03/14/2018	Payroll Check	DD	Alexander Getts	Pay Period: 03/01/2018-03/15/2018	-1,335.88
03/14/2018	Payroll Check	DD	Korby M. Siggard	Pay Period: 03/01/2018-03/15/2018	-2,423.73
03/14/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 03/01/2018-03/15/2018	-5,311.88
03/14/2018	Payroll Check	DD	Marty L. Stevens	Pay Period: 03/01/2018-03/15/2018	-1,848.44
03/14/2018	Payroll Check	DD	Sonya J. White	Pay Period: 03/01/2018-03/15/2018	-2,034.44
03/14/2018	Deposit				11,129.00
03/14/2018	Expense		IRS	IRS 3387702000USATAX IRS 3387702000USATAXPYMTCCD270847344166902UTAH COUNTIES INDEMNITREF # 018072006982520	-4,601.19
03/16/2018	Check	ACH	Victor Iverson	Mileage Reimbursement Board Meeting 10/12/2017	-316.19
03/16/2018	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA772209	-110.26
03/20/2018	Bill Payment (Check)	ACH	Arthur J. Gallagher & Co.	Invoice: 2150543	-8,314.00
03/20/2018	Expense	ACH	Goebel Anderson PC	Invoice: 2171	-2,677.50
03/21/2018	Expense		Zions Bank	SERVICE AND TRANSACTION FEES	-155.04
03/29/2018	Payroll Check	DD	Marty L. Stevens	Pay Period: 03/16/2018-03/31/2018	-1,848.42
03/29/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 03/16/2018-03/31/2018	-5,311.89
03/29/2018	Payroll Check	DD	Sonya J. White	Pay Period: 03/16/2018-03/31/2018	-2,034.44
03/29/2018	Payroll Check	DD	Korby M. Siggard	Pay Period: 03/16/2018-03/31/2018	-2,423.72
03/29/2018	Payroll Check	DD	Alexander Getts	Pay Period: 03/16/2018-03/31/2018	-1,335.88
03/29/2018	Tax Payment		UT State Tax Commission	Tax Payment for Period: 03/01/2018-03/31/2018 Confirmation: 0-648-507-136	-1,546.32
03/30/2018	Check	ACH	Public Employees Health Program	Invoice: 0122367513	-7,215.07
03/30/2018	Check	ACH	PEHP-LTD	Agency: 1076	-182.25
03/30/2018	Check	ACH	Johnnie R. Miller	Expense Reimbursement	-298.00
03/30/2018	Tax Payment		IRS	Tax Payment for Period: 03/28/2018-03/30/2018 EFT ACKNOWLEDGEMENT NUMBER; 270848962503077	-4,601.23
03/30/2018	Check	ONLINE	Utah Retirement Systems	Confirmation: 032921289306	-8,137.04
03/30/2018	Check		Nationwide Retirement Solutions	Entity: 0036786001	-2,412.24
04/01/2018	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,412.24
04/02/2018	Check	ACH	Alexander F Getts	Mileage Reimbursement	-54.06
04/02/2018	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15279	-150.00
04/03/2018	Check	BILLPAY	Sonya J. White	Expense Reimbursement	-311.66
04/03/2018	Bill Payment (Check)	BILLPAY	Utah Chapter of PRIMA		-195.00
04/11/2018	Bill Payment (Check)	ACH	County Reinsurance, Limited	SAJ Spanish Valley SSD	-1,300.00
04/11/2018	Bill Payment (Check)	ACH	Larson & Company	Invoice: 22411222	-4,422.38

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
04/11/2018	Bill Payment (Check)	ACH	Revco Leasing Company, LLC	Invoice: 490766	-435.91
04/11/2018	Bill Payment (Check)	ACH	WCF Insurance	Invoice: 4020344	-86,300.97
04/11/2018	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 24795	-1,450.00
04/11/2018	Bill Payment (Check)	ACH	Goebel Anderson PC	Invoice: 2210	-2,650.00
04/11/2018	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 24776	-20.00
04/12/2018	Payroll Check	DD	Alexander Getts	Pay Period: 04/01/2018-04/15/2018	-1,224.71
04/12/2018	Payroll Check	DD	Sonya J. White	Pay Period: 04/01/2018-04/15/2018	-2,034.44
04/12/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 04/01/2018-04/15/2018	-5,311.87
04/12/2018	Payroll Check	DD	Korby M. Siggard	Pay Period: 04/01/2018-04/15/2018	-2,423.72
04/12/2018	Payroll Check	DD	Marty L. Stevens	Pay Period: 04/01/2018-04/15/2018	-1,680.34
04/12/2018	Tax Payment		IRS	Tax Payment for Period: 04/11/2018-04/13/2018 EFT ACKNOWLEDGEMENT NUMBER: 270850350137209	-4,535.26
04/13/2018	Bill Payment (Check)	BILLPAY	State of Utah Mail	Invoice: L9209957	-63.75
04/13/2018	Deposit				29,784.56
Total for 500-000000-10010100 ZionsMLE					\$ - 140,155.90

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Draft Issued 2/23/18

UTAH COUNTIES INDEMNITY POOL

ACTUARIAL REPORT Reserve Analysis as of 12/31/17

2/23/18

FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimated required reserves are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

ESTIMATED REQUIRED RESERVES

The required reserves shown in the following tables should be used for financial statement reporting as of that date. However, until all the claims that occurred on or before 12/31/17 are closed, the actual reserve need remains an estimate. While the experience of UCIP indicates that the required reserves will fall within the range established in this report, the possibility exists that extraordinary or unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the findings cannot be warranted or guaranteed.

ESTIMATED LOSS AND ALAE RESERVES INCLUDING IBNR FOR 1/1/05-12/31/17 AS OF 12/31/17 (Limited to Specific Retentions)

	Line of Business	Low	Expected	High
Undiscounted for Investment Income	GL	\$ 7,810,000	\$ 8,670,000	\$ 9,720,000
	AL	140,000	170,000	210,000
	Property	40,000	60,000	80,000
	Total	\$7,990,000	\$8,900,000	\$10,010,000
Discounted at 1.0% per Annum	GL	\$ 7,610,000	\$ 8,450,000	\$ 9,480,000
	AL	140,000	160,000	210,000
	Property	40,000	60,000	80,000
	Total	\$ 7,790,000	\$ 8,670,000	\$ 9,770,000

**COMPARISON OF ESTIMATED ULTIMATE
INCURRED LOSSES TO PRIOR ACTUARIAL REPORT
ALL COVERAGES**
(Limited to Specific Retentions)
(Net of Recoveries)

Policy Period	Current Report (Table 43 Section A)	4/25/17 Report (Table 43 Section B)	Change	Percent Change
1/1-12/31/05	\$ 2,526,117	\$ 2,526,117	\$ 0	0.0%
1/1-12/31/06	2,410,764	2,410,764	0	0.0%
1/1-12/31/07	2,583,379	2,586,868	(3,489)	(0.1%)
1/1-12/31/08	3,204,919	3,204,919	0	0.0%
1/1-12/31/09	2,942,785	2,948,087	(5,302)	(0.2%)
1/1-12/31/10	3,550,963	3,464,030	86,933	2.5%
1/1-12/31/11	3,117,113	2,991,435	125,678	4.2%
1/1-12/31/12	3,476,058	3,523,566	(47,508)	(1.3%)
1/1-12/31/13	3,006,797	3,168,931	(162,134)	(5.1%)
1/1-12/31/14	3,108,581	3,564,915	(456,334)	(12.8%)
1/1-12/31/15	2,200,274	2,781,306	(581,032)	(20.9%)
1/1-12/31/16	4,002,363	3,273,064	729,299	22.3%
Total	\$36,130,113	\$36,444,002	(\$ 313,889)	(0.9%)

Figure 2

UTAH COUNTIES INDEMNITY POOL

ALL COVERAGES

COMPARISON TO PRIOR ACTUARIAL REPORTS
(Limited to Specific Retentions)

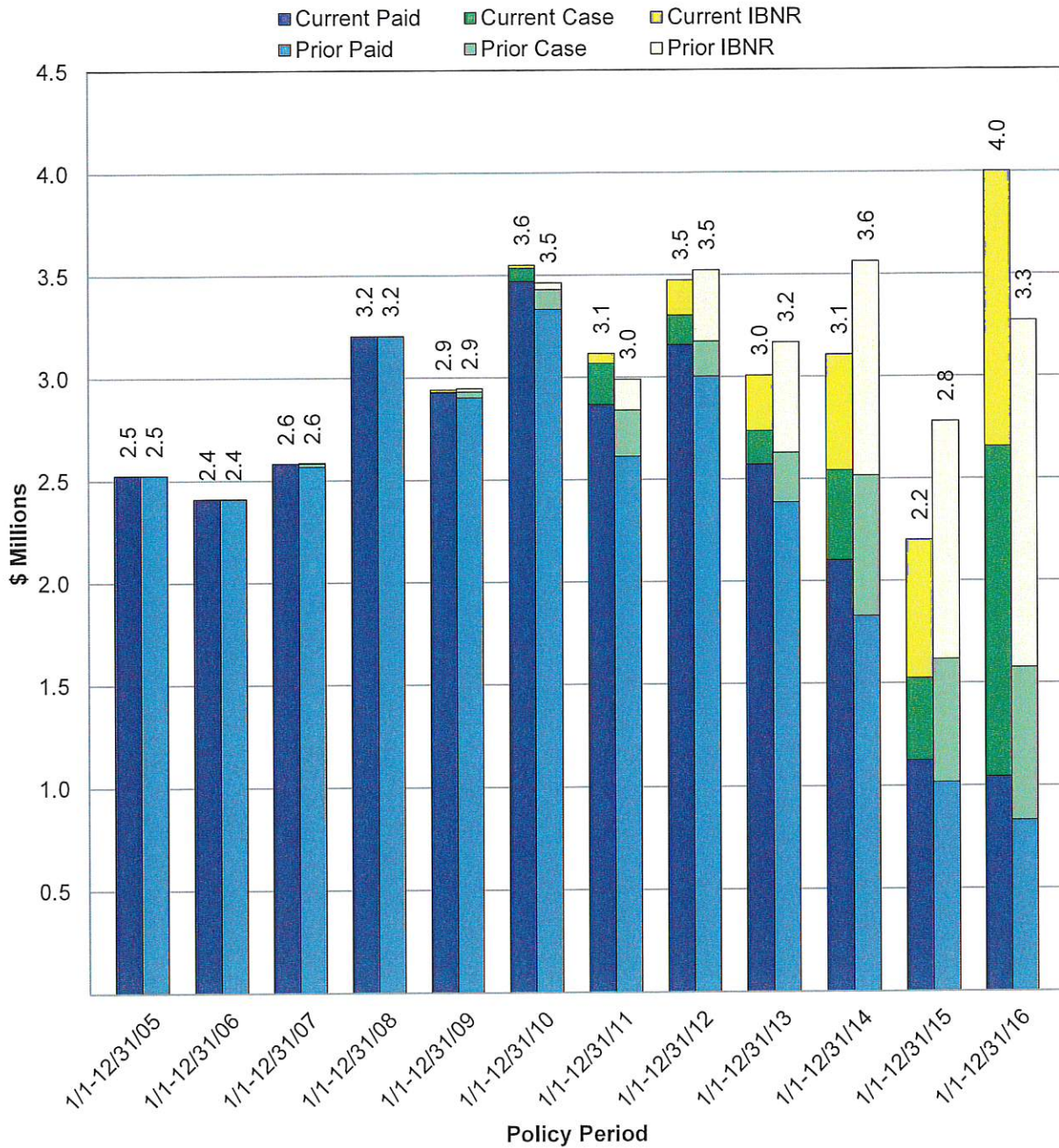


Figure 1

UTAH COUNTIES INDEMNITY POOL

ALL COVERAGES

ESTIMATED RETAINED LOSSES AS OF 12/31/17
(Limited to Specific Retentions)

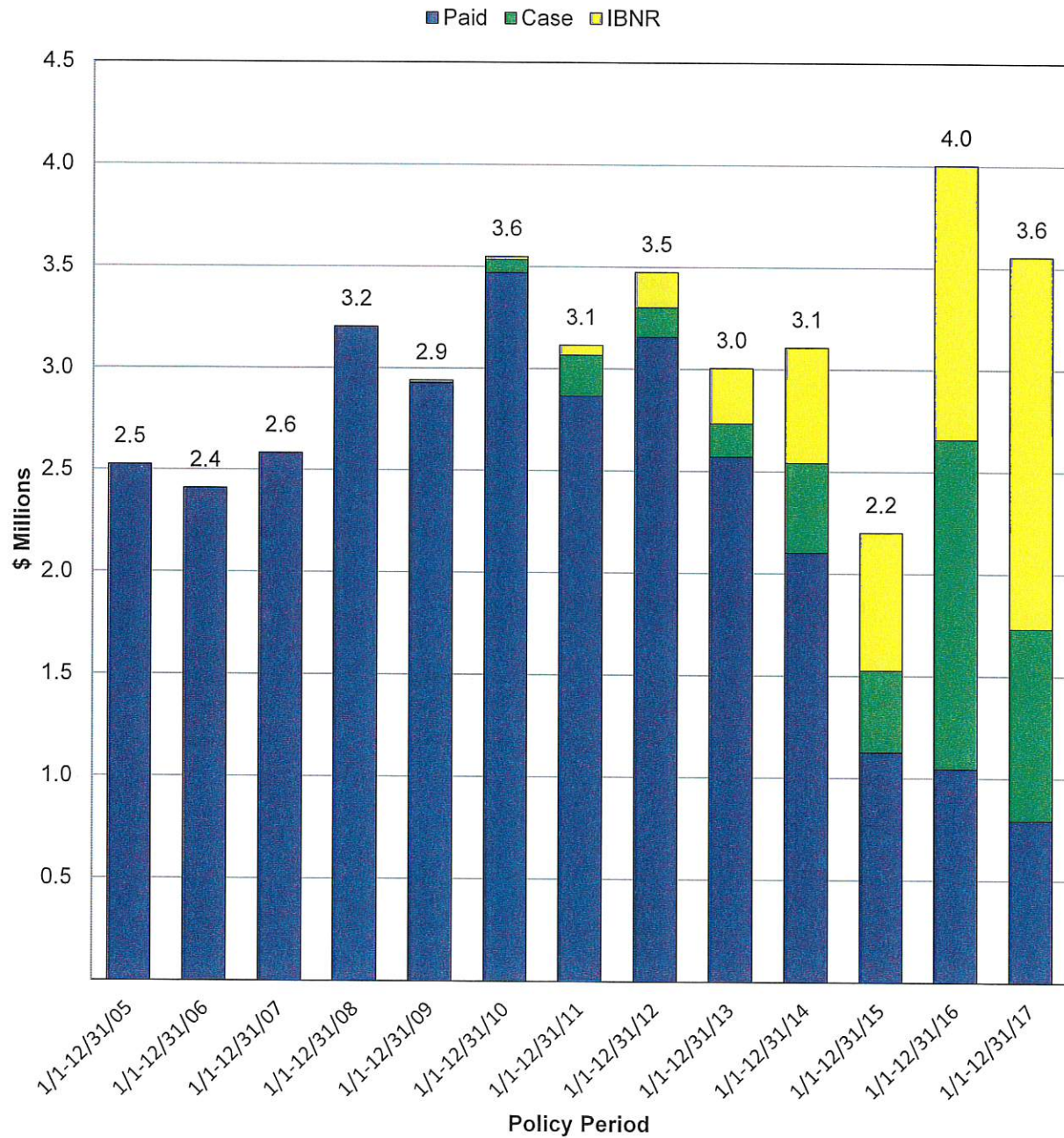


Table 43

UTAH COUNTIES INDEMNITY POOL

ALL COVERAGES

ESTIMATED REQUIRED RESERVES AS OF 12/31/17

(Limited to Specific Retentions)

(Net of Recoveries)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/17	Paid Losses as of 12/31/17
1/1-12/31/05	\$ 2,526,117	\$ 2,526,117	\$ 2,526,117
1/1-12/31/06	2,410,764	2,410,764	2,410,764
1/1-12/31/07	2,583,379	2,583,379	2,583,379
1/1-12/31/08	3,204,919	3,204,919	3,204,919
1/1-12/31/09	2,942,785	2,931,774	2,927,185
1/1-12/31/10	3,550,963	3,535,687	3,471,995
1/1-12/31/11	3,117,113	3,068,720	2,868,764
1/1-12/31/12	3,476,058	3,303,221	3,159,761
1/1-12/31/13	3,006,797	2,735,834	2,573,034
1/1-12/31/14	3,108,581	2,542,095	2,103,463
1/1-12/31/15	2,200,274	1,525,719	1,124,727
1/1-12/31/16	4,002,363	2,657,959	1,045,328
1/1-12/31/17	3,553,980	1,731,338	793,032
Total	\$39,684,093	\$34,757,526	\$30,792,468

B. ESTIMATED REQUIRED RESERVES AS OF 12/31/17

Policy Period	Case Reserves as of 12/31/17	Estimated IBNR as of 12/31/17	Estimated Required Reserves as of 12/31/17
1/1-12/31/05	\$ 0	\$ 0	\$ 0
1/1-12/31/06	0	0	0
1/1-12/31/07	0	0	0
1/1-12/31/08	0	0	0
1/1-12/31/09	4,589	11,011	15,600
1/1-12/31/10	63,692	15,276	78,968
1/1-12/31/11	199,956	48,393	248,349
1/1-12/31/12	143,460	172,837	316,297
1/1-12/31/13	162,800	270,963	433,763
1/1-12/31/14	438,632	566,486	1,005,118
1/1-12/31/15	400,992	674,555	1,075,547
1/1-12/31/16	1,612,631	1,344,404	2,957,035
1/1-12/31/17	938,306	1,822,642	2,760,948
Total	\$ 3,965,058	\$ 4,926,567	\$ 8,891,625

Appendix C (Continued)

UTAH COUNTIES INDEMNITY POOL

ALL COVERAGES

ESTIMATED ULAE RESERVE

C. ESTIMATED OPEN CLAIMS AND IBNR CLAIMS

Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	Last
1/1-12/31/05											0
1/1-12/31/06											0
1/1-12/31/07											1
1/1-12/31/08										0	0
1/1-12/31/09									2	1	1
1/1-12/31/10								2	1	1	0
1/1-12/31/11							7	3	2	1	0
1/1-12/31/12						9	7	3	2	1	0
1/1-12/31/13					8	5	3	2	1	0	0
1/1-12/31/14				8	6	4	3	1	1	0	0
1/1-12/31/15			7	5	4	2	2	1	0	0	0
1/1-12/31/16		22	13	10	8	4	3	2	1	0	0
1/1-12/31/17	53	21	12	9	7	4	3	1	1	0	0

D. ESTIMATED ULAE RESERVE*

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	108 to 120 Months	120 to Last	Total
1/1-12/31/05											0	0
1/1-12/31/06											0	0
1/1-12/31/07											300	300
1/1-12/31/08										0	0	0
1/1-12/31/09									600	300	300	1,200
1/1-12/31/10								600	300	300	0	1,200
1/1-12/31/11							2,100	900	600	300	0	3,900
1/1-12/31/12						2,700	2,100	900	600	300	0	6,600
1/1-12/31/13					2,400	1,500	900	600	300	0	0	5,700
1/1-12/31/14				2,400	1,800	1,200	900	300	300	0	0	6,900
1/1-12/31/15			2,100	1,500	1,200	600	600	300	0	0	0	6,300
1/1-12/31/16		6,600	3,900	3,000	2,400	1,200	900	600	300	0	0	18,900
1/1-12/31/17	15,900	6,300	3,600	2,700	2,100	1,200	900	300	300	0	0	33,300
Total	15,900	12,900	9,600	9,600	9,900	8,400	8,400	4,500	3,300	1,200	600	\$ 84,300

* Estimated by UCIP to equal \$300 per open claim per year.

Utah Counties Indemnity Pool

MANAGEMENT LETTER

For the Year Ended December 31, 2017





April 19, 2018

To the Board Members and Management
Utah Counties Indemnity Pool:

We have audited the financial statements of **Utah Counties Indemnity Pool** (the Pool) for the year ended December 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 29, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Pool are described in Note 1 to the financial statements. There were no new accounting policies adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the Pool during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Association's financial statements were:

Management's estimate of the reserves for losses and loss adjustment expenses is based on the actuarial opinion prepared by Mary Jean King, FCAS, CERA, MAAA, of By the Numbers Actuarial Consulting, Inc. We evaluated the key factors and assumptions used to develop the reserves for losses and loss adjustment expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of losses and loss adjustment expenses in Note 8 to the financial statements related to the Pool's reserves estimate.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 19, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Pool's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of Ten-Year Claims Development Information, the Schedule of the Proportionate Share of the Net Pension Liability, and the Schedule of Contributions, all of which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial

Board Members and Management
Utah Counties Indemnity Pool
April 19, 2018

statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Larson & Company P.C.

Larson & Company, PC
Salt Lake City, Utah

Schedule of Findings and Recommendations – Current Year

Internal Control Findings – Current Year

There were no Internal Control Findings noted for the period.

State Compliance Findings – Current Year

There were no State Compliance Findings noted for the period.

Status of Findings – Prior Year

Internal Control Findings – Prior Year

There were no Internal Control Findings noted in the prior year.

State Compliance Findings – Current Year

There were no State Compliance Findings noted in the prior period.

Utah Counties Indemnity Pool

**FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT, REQUIRED
SUPPLEMENTARY INFORMATION AND OTHER INDEPENDENT AUDITOR'S REPORTS**

For the Year Ended December 31, 2017



UTAH COUNTIES INDEMNITY POOL

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Independent Auditor's Report

The Board of Directors
Utah Counties Indemnity Pool

We have audited the accompanying financial statements of **Utah Counties Indemnity Pool** as of and for the year ended December 31, 2017, and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of **Utah Counties Indemnity Pool** as of December 31, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5-9, the reconciliation of the claims liability and losses and loss adjustment expenses on page 29, the contributions and loss development information on page 31, the schedule of the proportionate share of the net

pension liability on page 32, and the schedule of contributions on page 33 be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2018, on our consideration of the Pool's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Larson & Company P.C.

Salt Lake City, Utah
April 19, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis

(Unaudited)

Year Ended December 31, 2017

In conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, the management of the Utah Counties Indemnity Pool (the Pool or UCIP) presents this Management's Discussion and Analysis for the readers of UCIP's financial statements. Our intent is to provide a narrative overview and analysis of the financial activities of UCIP for the fiscal year ended December 31, 2017. Readers are encouraged to consider this information in conjunction with the financial statements, notes to the financial statements and required supplementary information included in the independent auditor's report.

FINANCIAL STATEMENTS PROVIDED

Included in the independent auditor's report are the basic financial statements required under the GASB standards including:

- Statement of Net Position – Accounts for all assets, deferred outflows or resources, liabilities and deferred inflows of resources of UCIP as of December 31, 2017, showing the balance of net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) as of that date.
- Statement of Revenues, Expenses, and Changes in Net Position – Accounts for all revenue and expenses accrued for the fiscal period, with calculation of the change in net position (revenue minus expenses) for the period. Expenses are classified as Operating Expenses (primarily consisting of expected losses to be paid and the cost of excess insurance covering catastrophic losses) and Administrative Expenses (primarily consisting of staff salaries and benefits and office operations). Expenses are further categorized to provide a level of detail appropriate for general management overview and control.
- Statement of Cash Flows – Accounts for all revenues and expenses received or paid during the fiscal period with a calculation of net increase in cash and cash equivalents (revenue minus expenses) and total cash and cash equivalents at the end of the period. This statement provides a contrasting view of the revenues and expenses from the Statement of Revenues, Expenses, and Changes in Net Position as it accounts for revenues and expenses that were actually received or paid during the period, regardless of when the revenue was earned or due, or when the expense was accrued or invoiced.

BASIS OF ACCOUNTING METHODS

Financial statements provided in this report are reported using the Governmental Accounting Standards Board (GASB) basis of accounting. Traditional insurance companies often utilize statutory accounting methods in development of their financial statements that differ significantly from GASB accounting methods. Attempts to perform simple comparisons or benchmark analysis of a commercial carrier's financial reports and the financial reports contained here will likely yield distorted results.

CONDENSED FINANCIAL INFORMATION

The following Condensed Financial Statements are meant to provide a summary view of the audited financial statements as support for comments and analysis of the financial condition of UCIP offered by management in this letter.

UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis

(Unaudited)

Year Ended December 31, 2017

Assets and Liabilities

Current and other assets increased \$1,740,064 at year end 2017 compared to the prior year end with investments increased \$248,619 for the same period. Capital assets decreased \$199 as a result of depreciation. Deferred outflows of resources in the amount of \$168,435 in the year 2017 and \$155,055 in prior year 2016 are reflected as a result of the implementation of GASB 68. Deferred outflows related to pensions increased \$13,380. Total assets increased \$2,001,864 at year end 2017.

Total liabilities at year end 2017 increased \$1,733,602 over year end 2016. This increase was primarily the result of a \$633,199 increase in member contributions paid in advance and a \$1,085,933 increase in reserves for losses and loss adjustment expense. Noncurrent liabilities in the year 2017 and 2016 are reflected as a result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions. The statement requires employers providing defined benefit pensions through pension plans administered as trusts, to recognize their long-term obligation for those benefits as a liability. The Pool provides a defined pension plan to certain employees through the Utah Retirement Systems (URS) and therefore, the Pool has recorded a noncurrent liability of \$253,476 in 2017 and \$239,964 in 2016. Inflows related to pensions amounted to \$42,671 in 2017. Consistent with the statement requirements, the beginning balance has been recorded as a component of net position as there is inadequate information to restate the prior year.

In 2017 and 2016, net position increased by \$268,264 and increased by \$1,480,703, respectively, during the fiscal years.

The condensed statements of net assets for the years ended 2017 and 2016 are as follows:

	2017	2016	Net Change
Assets:			
Current and other assets	\$10,654,996	\$ 8,914,932	\$ 1,740,064
Capital assets	538,696	538,896	(199)
Investments	3,997,888	3,749,269	248,619
Outflows related to pensions	168,435	155,055	13,380
Total assets	<u>\$15,360,016</u>	<u>\$13,358,151</u>	<u>\$ 2,001,864</u>
Liabilities:			
Current and other liabilities	\$ 1,166,784	\$ 550,969	\$ 615,816
Reserve for losses and loss adjustment	8,975,925	7,889,992	1,085,933
Noncurrent liabilities	253,476	239,964	13,512
Inflows related to pensions	42,671	24,330	18,341
Total liabilities	<u>10,438,856</u>	<u>8,705,255</u>	<u>1,733,602</u>
Net position:			
Invested in capital assets	538,696	538,896	(199)
Unrestricted	4,382,463	4,114,001	268,462
Total net position	<u>4,921,159</u>	<u>4,652,896</u>	<u>268,263</u>
Total liabilities and net position	<u>\$15,360,016</u>	<u>\$13,358,151</u>	<u>\$ 2,001,864</u>

UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis

(Unaudited)

Year Ended December 31, 2017

Operating Revenue and Expense

Revenue from contributions increased \$271,324 for a total of \$6,100,557 in 2017. This increase is attributed to an increase in member exposures. Other income increased \$4,505 primarily from the deposit return from ancillary coverages. Operating expenses increased \$1,406,437 from the prior year due to an increase in loss and loss adjustment expenses.

The condensed statements of operating revenue and expense for the years ended 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
Operating revenue:			
Contributions	\$ 6,100,557	\$ 5,829,233	\$ 271,324
Investment income	276,238	350,831	(74,593)
Other income	20,111	15,576	4,535
Total operating revenues	<u>6,396,906</u>	<u>6,195,640</u>	<u>201,266</u>
Operating expenses:			
Loss and loss adjustment expenses	3,621,314	2,221,206	1,400,108
Reinsurance coverage	1,593,158	1,596,268	(3,110)
Administration	908,933	899,494	9,439
Total operating expenses	<u>6,123,405</u>	<u>4,716,968</u>	<u>1,406,437</u>
Net operating income	273,501	1,478,674	(1,205,173)
Unrealized loss on investments	(5,238)	2,029	(7,267)
Change in net position	<u>\$ 268,263</u>	<u>\$ 1,480,703</u>	<u>\$ (1,212,440)</u>

Investments

As a governmental subdivision regulated by the Money Management Council (MMC), UCIP invests the majority of funds in the Public Treasurers' Investment Fund (PTIF). Utilizing this "safe harbor" for compliance with the Money Management Act also provides UCIP significant liquidity and protection of capital in its invested assets. In 2017, UCIP created a new restricted account in the PTIF to comply with the MMC's Rule 4 for Interlocal Agencies providing crime insurance. \$125,000 equals 50% of the per occurrence limit of coverage.

In 2011, UCIP moved \$2,000,000 of invested funds to Zions Capital Advisors in anticipation of increasing investment rates. While investments with Zions Capital Advisors outperformed the PTIF by a small amount in 2017 and 2016, it is anticipated these investments will outpace the PTIF more significantly as the market strengthens.

Equity investments consist of equity ownership in County Reinsurance Limited (CRL), a property and liability reinsurance pool of county based pools across the United States. UCIP is a member of CRL.

UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis
(Unaudited)

Year Ended December 31, 2017

The condensed statements of cash and cash equivalents and investments for the years ended 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
Cash and cash equivalents:			
Cash on deposit	\$ 3,649,685	\$ 2,067,027	\$ 1,582,657
Public Treasurers' Investment Fund	6,655,839	6,190,423	465,415
Zions Capital Advisors	99,424	36,261	63,163
Total cash and cash equivalents	<u>10,404,947</u>	<u>8,293,711</u>	<u>2,111,235</u>
Investments:			
Investments - U.S. government securities	1,846,876	2,086,198	(239,321)
Equity investment in County Reinsurance Limited	2,151,012	2,049,154	101,858
Total investments	<u>3,997,888</u>	<u>4,135,352</u>	<u>(137,463)</u>
Total cash and cash equivalents and investments	<u>\$14,402,835</u>	<u>\$12,429,063</u>	<u>\$ 1,973,771</u>

Financial Position

The Net Asset Management Plan was adopted by the Board to actively manage UCIP's net position between 100-200% of annual revenue. The plan provides that when net position exceeds 100% of annual revenue, the Board should issue dividends as experience dividends and/or equity dividends based on the UCIP Dividend Policy. Based on the 2017 member contributions of \$6,100,557, the surplus (net position) to contributions (revenue) ratio at year end 2017 was within industry standards.

The condensed statements of changes in net position for the years ended 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
Revenues and expenses:			
Revenues	\$ 6,391,668	\$ 6,197,669	\$ 193,999
Expenses	6,123,405	4,716,968	1,406,437
Net income (loss)	268,263	1,480,701	(1,212,438)
Net position, beginning of year	4,652,896	3,172,195	1,480,701
Net position, end of year	<u>\$ 4,921,159</u>	<u>\$ 4,652,896</u>	<u>\$ 268,263</u>

BUDGET

Revenue

Actual 2017 revenues were \$199,906 more than budgeted due to investment income performance.

Losses and Reinsurance Expenses

Actual 2017 expenses were \$366,472 more than budgeted due to increases in losses and loss adjustment expenses.

UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis
(Unaudited)
Year Ended December 31, 2017

Administrative Expenses

Management closely monitored budgeted administrative expenses of \$984,000 and was able to operate with actual expenses of \$908,933. The savings on actual to budgeted expenses was achieved primarily in the area of office operations.

MARKET TRENDS IN 2017

Management anticipates continued competitive pressure due to protracted soft market conditions. To counteract this trend, management and the Board have worked to expand member services and strengthen its relationship with the Utah Association of Counties, which originally created UCIP.

Property

Changes in catastrophic loss models which significantly increased the modeled earthquake loss exposure for the entire state of Utah in 2011 were updated early in 2013 and again in 2015 with some reduction in the modeled earthquake exposure for portions of Utah, which may provide some relief on property reinsurance premiums from that budgeted for 2017.

Liability

While the overall market conditions are believed to remain competitive, signs of carriers increasing liability premiums continue into 2017. Most notably is the industry's move to exclude cyber liability risk from standard general liability and errors and omissions forms without a corresponding rate reduction, while selling this coverage as a new separate policy form for significant additional premium. Eventually, the liability market will increase premiums to improve their combined ratios to attract investors. This eventual "hardening" of the market will relieve some competitive pressure, but will also create increased reinsurance costs.

Questions concerning any of the information in this report, or any other matters related to UCIP's budget and finances should be addressed to the Chief Financial Officer, Utah Counties Indemnity Pool, 5397 S Vine, Murray, UT 84107.

UTAH COUNTIES INDEMNITY POOL

Statement of Net Position
As of December 31, 2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 10,203,478
Short-term investments	201,469
Prepaid expenses	250,049

TOTAL CURRENT ASSETS 10,654,996

INVESTMENTS 3,997,888

PROPERTY AND EQUIPMENT 538,696

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions 168,435

TOTAL ASSETS AND
DEFERRED OUTFLOWS OF RESOURCES \$ 15,360,016

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Reserves for losses and loss adjustment expenses	\$ 8,975,925
Accrued expenses	99,429
Contributions paid in advance	1,067,355

TOTAL CURRENT LIABILITIES 10,142,709

NONCURRENT LIABILITIES

Net pension liability 253,476

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions 42,671

NET POSITION

Net investment in capital assets	538,696
Unrestricted	4,382,463

TOTAL NET POSITION 4,921,159

TOTAL LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND NET POSITION \$ 15,360,016

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2017

OPERATING INCOME	
Contributions	\$ 6,100,557
Investment income	276,238
Other income	<u>20,111</u>
TOTAL OPERATING INCOME	6,396,906
UNDERWRITING EXPENSES	
Losses and loss adjustment expenses	3,621,314
Reinsurance coverage	<u>1,593,158</u>
TOTAL UNDERWRITING EXPENSES	5,214,472
ADMINISTRATION EXPENSES	
Trustees	32,228
Depreciation	2,453
Risk management	64,093
Public relations	14,993
Office	63,557
Financial	87,980
Personnel	<u>643,629</u>
TOTAL ADMINISTRATION EXPENSES	<u>908,933</u>
TOTAL OPERATING EXPENSES	<u>6,123,405</u>
NET OPERATING INCOME	273,501
OTHER INCOME (EXPENSES)	
Unrealized loss on marketable securities	<u>(5,238)</u>
TOTAL OTHER EXPENSES	<u>(5,238)</u>
CHANGE IN NET POSITION	268,263
NET POSITION AT BEGINNING OF YEAR	<u>4,652,896</u>
NET POSITION AT END OF YEAR	<u><u>\$ 4,921,159</u></u>

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL

Statement of Cash Flows
For the Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Contributions collected	\$ 6,733,831
Other fees collected	20,112
Reinsurance paid	(1,608,152)
Losses and loss expenses paid	(2,535,381)
Cash paid to employees	(615,274)
Other administrative expenses paid	(290,109)
CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>1,705,027</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(352,009)
Sale of investments	380,000
Investment income	179,003
Purchase of capital assets	(2,253)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u><u>204,741</u></u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,909,768
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u><u>8,293,710</u></u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 10,203,478</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH	
Change in net position	\$ 268,263
Adjustments to reconcile change in net position to	
Depreciation	2,453
Interest on investments	(174,380)
Increase in equity in CRL	(101,858)
Net outflows of resources relating to pension	18,481
Unrealized gain on investments	5,238
Accounts receivable	75
Prepaid expenses	(14,994)
Reserves for loss and loss adjustment expenses	1,085,933
Accounts payable	(27,258)
Accrued expenses	9,875
Contributions paid in advance	633,199
Total adjustments	<u><u>1,436,764</u></u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ 1,705,027</u></u>

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Utah Counties Indemnity Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. In January 2012, the Pool was renamed the Utah Counties Indemnity Pool. The Pool is a non-profit Interlocal entity formed under Section 11-13-101 et. seq. Utah Code Annotated, 1953 as amended, operated as a joint liability reserve fund under Section 63G-7-703 and 801 for counties who enter into the Interlocal Agreement that creates UCIP. The Pool is referred to as a: "public agency insurance mutual" under the insurance statutes of the State of Utah, Section 31A-1-103(7). All of the Pool's business activities are conducted in the State of Utah.

Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The Pool has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, GASB Statement No. 37, Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures. The Pool has also adopted GASB Statement No. 40, Deposit and Investment Risk Disclosures, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions. With the implementation of these statements, the Pool has prepared required supplementary information titled "Management's Discussion and Analysis" which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net position as net invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, has adjusted the beginning net position to conform to the changes of GASB 68 related to pensions and related items, and provided additional schedules to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. The following is a summary of the more significant policies.

Basis of Accounting

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as accrued expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. Therefore, the investments in the Utah Public Treasurers' Fund (PTIF) and cash on deposit are considered to be cash equivalents.

Investments

Investments are comprised of various U.S. Government securities, certificates of deposit and investments in County Reinsurance Limited (CRL).

Investments in U.S. Government securities as of December 31, 2017 consist of held-to-maturity securities. Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

The investments in CRL are valued using the equity method of accounting. Under the equity method, the Pool recognizes its proportionate share of the net earnings or losses of CRL, which represents its share of the undistributed earnings or losses of CRL.

Investment Valuation

The Pool categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value:

- Level 1 inputs are quoted prices in active markets for identical assets;

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation (Continued)

- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

Contributions Paid in Advance

Contributions paid by members prior to January 1 of the next calendar year are considered to be deferred until January 1 and are reported as liabilities in the statement of net assets.

Ancillary Coverages

The Pool assists members in placing coverage for exposures not included in the coverage addendum, i.e., aircraft hull, airport liability, bonds, builder's risk, excess cyber liability, and workers compensation. The Pool does not receive any fees on monies collected for member coverage placement.

Contributions

Contributions are collected annually on January 1.

Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years. Depreciation expense for the year ended December 31, 2017 amounted to \$2,453.

Deferred Inflows/Outflows of Resources

A deferred inflow of resources is an acquisition of net assets by the Pool that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net assets by the Pool that is applicable to a future reporting period. Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources.

Net Asset Management

To assure that the Pool's assets are adequate without holding excessive net assets, the Pool manages net asset levels between 100% and 200% of annual revenue. Net assets should be controlled within a minimum of 50% and a maximum of 250% of annual revenue. The Pool utilizes a Rate Stabilization Fund and a Dividend Plan to manage net assets.

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Management (Continued)

The Rate Stabilization Fund is utilized to designate surplus to fund unexpected increases in expenses, which necessitate increases in rates short term to allow rate increases to be made incrementally, or to negate temporary rate increases. The Rate Stabilization Fund is a Board-designated portion of unrestricted net assets to be deducted from the Total Net Assets (referred to as Unrestricted Net Position on the financial statements) when determining Net Assets available for payment of dividends to members and, as required by GASB, is reported as a designation only in the notes to the financial statements. The balance in the Rate Stabilization Fund at December 31, 2017 was \$200,000.

The Dividend Plan is utilized by the Board to return excess net assets to members.

The Net Asset Management Plan indicates net assets should not exceed 250% of contributions unless the Pool has specific needs for such surplus, which may include the following: expectation of new membership; development of a new line of coverage; development of new or expanded coverage; or development of new or expanded services.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount actuarially determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. The liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided.

The Pool's actuary provides a range of estimates of the reserves for losses and loss adjustment expenses at three levels of confidence: low (50% confidence), expected (66% confidence) and high (80% confidence). Accounting standards require the Pool to book the "expected" level of reserves on their financial statements, and does not allow for the Board to designate or delineate any other amount in the range on the financial statements. In consideration of their duty to protect public funds and the inability of the Pool to assess members if reserves are not adequate, the Board prefers to reserve for claims with greater confidence than the 66% "expected" level.

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserves for Losses and Loss Adjustment Expenses (continued)

To accomplish this, while complying with audit standards, the Board has adopted as part of their Net Asset Management Plan a Claims Deterioration Fund, an amount voluntarily designated by the Board as Net Assets to be deducted from Total Net Assets (referred to as Unrestricted Net Position on the financial statements) when determining Net Assets available for payment of dividends to members. The balance in the Claims Deterioration Fund at December 31, 2017 was \$430,000.

In 2013, the Board approved designating \$430,000 into the Claim Deterioration Fund to assure these additional funds are available if the “expected” claim reserves are ultimately found to be inadequate to pay all liabilities of the Pool. The Board believes managing Net Assets in this manner protects members from large rate increases in the event claims experience does deteriorate.

Subsequent Events

Management of the Pool has evaluated subsequent events through April 19, 2018, which is also the date the financial statements were available to be issued. No subsequent events were noted during this evaluation that requires recognition or disclosure in these financial statements.

NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS

Listed below is a summary of the cash and investment portfolios as of December 31, 2017. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes including the State Money Management Act.

Cash and Cash Equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is \$3,448,215 as of December 31, 2017. The corresponding bank balance of the deposits was \$3,461,076 as of December 31, 2017.

All of the Pool’s cash on deposit bank accounts are noninterest-bearing. All noninterest-bearing and other depositors’ accounts will be aggregated and insured up to the standard maximum deposit insurance amount of \$250,000 for each deposit insurance ownership category.

The Public Treasurers’ Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund but the PTIF is subject to oversight by the State Money Management Council and all investments in PTIF are considered to be in compliance with the State Money Management Act.

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents (Continued)

The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years.

The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an entity's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah.

Zions Capital Advisors (ZCA) is an investment advisory firm certified by the State Money Management Council and all investments with ZCA are in compliance with the State Money Management Act. The maximum final maturity of any security invested in by ZCA is limited to three years. ZCA investments are not insured or otherwise guaranteed.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Pool's bank balances exceeded FDIC coverage by \$3,211,076 as of December 31, 2017.

As of December 31, 2017, the Pool's cash and cash equivalents and investments included the following:

	<u>2017</u>
Cash on deposit	\$ 3,448,215
Public Treasurers' Investment Fund	6,655,839
Zions Capital Advisors	<u>99,424</u>
Total cash and cash equivalents	<u>10,203,478</u>
Investments - debt securities	2,048,345
Equity investment in County Reinsurance Limited	<u>2,151,012</u>
Total investments	<u>4,199,357</u>
Total cash and cash equivalents and investments	<u><u>\$14,402,835</u></u>

Investments

The Pool records its investments in U.S. Government Securities at market value. The Pool records investments with County Reinsurance Limited (CRL) using the equity method of accounting. Investments in CRL are confirmed annually.

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (continued)

All other investments are through the Public Treasurers' Investment Fund (PTIF). The differences between book value and fair value, as of December 31, 2017 are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Statement Value
Securities	\$ 2,053,584	\$ 8,184	\$ (13,422)	\$ 2,048,345	\$ 2,048,345
Equity	2,049,154	101,858	-	2,151,012	2,151,012
Total investments	<u>\$ 4,102,738</u>	<u>\$ 110,042</u>	<u>\$ (13,422)</u>	<u>\$ 4,199,357</u>	<u>\$ 4,199,357</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Pool's policy for managing interest rate risk is to comply with the State Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. The Pool manages its exposure to declines in fair value by investing in the Public Treasurers' Investment Fund (PTIF) and other securities and by adhering to the Act.

Following are the Pool's investments at December 31, 2017:

Investment Type	Carrying Amount and Fair Value	Investment Maturities (in years)	
		Less than 1	1-5
Debt securities:			
Corporate bonds	\$ 959,307	\$ 201,469	\$ 757,838
Mortgage backed securities	1,089,038	-	1,089,038
Total debt securities	<u>2,048,345</u>	<u>201,468</u>	<u>1,846,876</u>
Other investments:			
CRL equity	<u>2,151,012</u>		
Total Other Investments	<u>2,151,012</u>		
Total investments	<u>\$ 4,199,357</u>		

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Investments' fair value measurements are as follows at December 31, 2016:

Asset class:	Total	Level 1	Level 2	Level 3
Debt securities:				
Corporate bonds	\$ 959,307	\$ 959,307	\$ -	\$ -
Mortgage backed securities	989,909	989,909	-	-
Money market funds	99,424	-	99,424	-
Public Treasurers Investment Fund	6,655,839	-	6,655,839	-
Total	\$ 8,704,479	\$ 1,949,216	\$ 6,755,263	\$ -

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Pool's policy for limiting the credit risk of investments is to comply with the State Money Management Act.

Investments are categorized into these three categories of credit risk:

- Category One - Insured or registered, or securities held by the Pool or its agent in the Pool's name.
- Category Two - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Pool's name.
- Category Three - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, not in the Pool's name.

As of December 31, 2017, investments in debt securities in the amount of \$2,604,714 are considered to be Category Three securities. As of December 31, 2017, Public Treasurers' Investment Fund (PTIF) investments and equity investments in County Reinsurance Limited (CRL), in the total amount of \$8,806,851, are uncategorized investments. \$125,000 of uncategorized PTIF investments is restricted by the Money Management Council's Rule Four of the Money Management Act.

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 3- INVESTMENT INCOME

Investment income is comprised of the following as of December 31, 2017:

Investment income:

Bonds	\$ 32,037
Equity	101,858
Cash	<u>142,343</u>

Total investment income	<u>\$ 276,238</u>
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Cash received:

Cash	<u>\$ 142,343</u>
Total cash received	142,343

Noncash adjustments:

Equity	101,858
Bonds	(5,238)
Change in accrued interest	36,953
Amortization	<u>322</u>
Total noncash adjustments	<u>133,895</u>

Total investment income	<u>\$ 276,238</u>
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NOTE 4- INTEREST RATE

The interest rate for assets held with the Utah Public Treasurers' Investment Fund (PTIF) was 1.61 percent as of December 31, 2017.

NOTE 5- CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Pool are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets exempt from depreciation:				
Land	\$ 531,494	\$ -	\$ -	\$531,494
Total capital assets exempt from depreciation, net	<u>531,494</u>	<u>-</u>	<u>-</u>	<u>531,494</u>
Capital assets being depreciated:				
Office furniture and equipment	174,893	2,253	-	177,146
Total capital assets, being depreciated	<u>174,893</u>	<u>2,253</u>	<u>-</u>	<u>177,146</u>
Less accumulated depreciation for:				
Office furniture and equipment	(167,491)	(2,453)	-	(169,944)
Total accumulated depreciation	<u>(167,491)</u>	<u>(2,453)</u>	<u>-</u>	<u>(169,944)</u>
Total capital assets being depreciated, net	<u>7,402</u>	<u>(199)</u>	<u>-</u>	<u>7,203</u>
Total capital assets, net	<u>\$ 538,896</u>	<u>\$ 2,054</u>	<u>\$ -</u>	<u>\$538,696</u>

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 6- REINSURANCE

Effective 2003, the Pool has purchased only specific excess coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Estimated claims loss liabilities of the Pool are stated net of estimated losses applicable to reinsurance coverage ceded to other insurance companies of \$548,654 as of December 31, 2017. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

Unsecured Reinsurance Recoverables

There are no letters of credit, trust agreements or funds withheld on reinsurance recoverables. The amount of \$401,019, as of December 31, 2017, exceeds three percent of the Pool's surplus and is considered unsecured recoverables on known claims.

Reinsurance Recoverable in Dispute

As of December 31, 2017, the Pool does not have any disputed balances or uncollectible funds.

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 7- RETIREMENT PLANS

Pension Plan

Plan Description. Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees, beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds.

Utah Retirement Systems is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. Utah Retirement Systems issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, UT 84102 or visiting the website: www.urs.org.

Benefits Provided. Utah Retirement Systems provides retirement, disability, and death benefits. Refinement benefits are as follows:

System	Final Average Salary	Years of Service Required	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* With actuarial reductions

** All post-retirement cost of living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RETIREMENT PLANS (CONTINUED)

Pension Plan (continued)

Contributions. As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah Retirement Systems Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2017 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
111 - Local Governmental Division Tier 2	N/A	15.11	1.58
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47	N/A
Tier 2 DC Only			
211 Local Governments	N/A	6.69	10.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans

For fiscal year ended December 31, 2017, the employer and employee contributions to the System were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$63,310	N/A
Tier 2 Public Employees System	4,846	-
Tier 2 DC Only System	1,071	N/A
Total Contributions	<u>\$69,227</u>	<u>\$0</u>

Contributions reported are the Utah Retirement Systems Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RETIREMENT PLANS (CONTINUED)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, we reported a net pension asset of \$0 and a net pension liability of \$253,476.

	(Measurement Date): December 31, 2017				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2015	Change (Decrease)
Noncontributory System	\$0	\$252,983	0.0393979%	0.0424078%	(0.0030099)%
Tier 2 Public Employees System	0	493	0.4417700%	0.0037343%	(0.0006834)%
	<u>\$0</u>	<u>\$253,476</u>			

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2017 we recognized pension expense of \$87,707.

At December 31, 2017 we reported deferred outflows of resources and deferred inflows of resources relating to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$5,495	\$7,294
Changes in assumptions	34,491	8,279
Net difference between projected and actual earnings on pension plan investments	56,409	16,726
Changes in proportion and differences between contributions and proportionate share of contributions	2,813	10,372
Contributions subsequent to the measurement date	69,227	0
	<u>168,435</u>	<u>42,671</u>

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RETIREMENT PLANS (CONTINUED)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The amount of \$69,227 was reported as deferred outflows of resources related to pensions results from contributions made by the Pool prior to fiscal year end, but subsequent to the measurement date of December 31, 2016.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2017	17,512
2018	17,731
2019	22,311
2020	(1,178)
2021	13
Thereafter	149

Actuarial Assumptions. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.60 percent
Salary increases:	3.35-10.35 percent, average, including inflation
Investment rate of return:	7.20 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RETIREMENT PLANS (CONTINUED)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term expected portfolio real rate of return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
		Inflation	2.60%
		Expected arithmetic nominal return	7.83%

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60% and a real return of 4.60% that is net of investment expense.

Discount Rate. The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Utah Retirement Systems Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 7.20 percent from 7.50 percent from the prior measurement period.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

System	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Noncontributory System	\$524,013	\$252,983	\$26,823
Tier 2 Public Employees System	3,354	493	(1,684)
Total	\$527,367	\$253,476	\$25,139

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RETIREMENT PLANS (CONTINUED)

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued Utah Retirement Systems financial report.

The Pool participates in the 401(k) Defined Contribution Savings Plan with the Utah Retirement Systems.

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the fiscal year ended December 31, was follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer Contributions	\$6,574	\$5,507	\$5,507
Employee Contributions	15,840	16,157	16,327

UTAH COUNTIES INDEMNITY POOL

Notes to Financial Statements
For the Year Ended December 31, 2017

NOTE 8- UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to covered events of prior years has decreased by \$295,683 in 2016 as a result of re-estimation of unpaid losses and loss adjustment expenses. This change is the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

The unpaid claims, losses and loss adjustment expenses of the Pool as of December 31, 2017 are:

	<u>2017</u>
Beginning balance	\$ 7,889,992
Incurred loss:	
Current year	3,553,980
Prior years	<u>(\$312,389)</u>
Change in total incurred	<u>3,241,591</u>
Paid:	
Current year	793,032
Prior years	<u>\$1,362,626</u>
Total paid	<u>2,155,658</u>
Balance at December 31	<u>\$ 8,975,925</u>

NOTE 9- CONTINGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid losses and loss adjustment expense liabilities.

REQUIRED SUPPLEMENTARY INFORMATION

UTAH COUNTIES INDEMNITY POOL

Schedule of Ten-Year Claims Development Information

The following table illustrates how the Pool's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the past ten years. The rows of the table are defined as follows: (1) This line shows each fiscal year's net earned premiums, other operating revenues and interest income. (2) This line shows each year's other operating expenses including overhead and loss adjustment expenses not allocable to specific claims. (3) This line shows incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred. (4) This section of ten rows shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of the successive years: this annual estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and show whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

Fiscal and Policy Year Ended (in Thousands of Dollars)										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
(1) Earned premiums, other operating operating revenues and investment revenues, net of reinsurance	16,116	6,952	4,662	5,064	5,141	3,538	3,717	3,789	4,584	4,804
(2) Unallocated expense	-	-	-	-	-	-	-	-	-	-
(3) Estimated incurred claims and expenses, end of policy year:	2,772	2,881	2,876	3,129	3,619	3,152	3,666	3,066	3,273	3,554
(4) Net paid (cumulative) as of:										
End of policy year	1,302	1,126	584	995	347	586	1,344	894	833	793
One year later	2,076	1,246	932	1,542	1,538	1,377	1,549	1,017	1,045	-
Two years later	1,640	1,781	1,601	1,719	2,310	1,869	1,830	1,125	-	-
Three years later	2,249	2,142	2,500	2,153	2,637	2,386	2,103	-	-	-
Four years later	2,666	1,465	2,958	2,385	3,005	2,573	-	-	-	-
Five years later	2,908	3,654	3,256	2,615	3,160	-	-	-	-	-
Six years later	3,045	2,815	3,335	2,869	-	-	-	-	-	-
Seven years later	3,085	2,905	3,472	-	-	-	-	-	-	-
Eight years later	3,205	2,927	-	-	-	-	-	-	-	-
Nine years later	3,205	-	-	-	-	-	-	-	-	-
(5) Reestimated net incurred claims and expenses:										
End of policy year	2,772	2,887	2,876	3,129	3,619	3,152	3,666	3,066	3,273	3,554
One year later	2,631	2,748	3,188	3,472	4,246	3,907	3,627	2,781	4,002	-
Two years later	2,704	2,902	3,113	3,193	3,837	3,515	3,565	2,200	-	-
Three years later	2,771	2,789	3,612	3,080	3,650	3,169	3,109	-	-	-
Four years later	3,142	3,164	3,714	2,952	3,524	3,007	-	-	-	-
Five years later	3,143	3,059	3,570	2,991	3,476	-	-	-	-	-
Six years later	3,180	2,947	3,464	3,117	-	-	-	-	-	-
Seven years later	3,207	2,948	3,551	-	-	-	-	-	-	-
Eight years later	3,205	2,943	-	-	-	-	-	-	-	-
Nine years later	3,205	-	-	-	-	-	-	-	-	-
(6) Increase (decrease) in estimated net incurred claims and expenses from end of policy year	433	62	675	(12)	(143)	(145)	(557)	(866)	729	-

UTAH COUNTIES INDEMNITY POOL

Schedule of the Proportionate Share of the Net Pension Liability

The proportionate share of the Net Pension Liability (Asset) of the Pool for year ending December 31, 2017, 2016 and 2015 respectively is as follows:

	2017			2016			2015		
	Tier 2 Public			Tier 2 Public			Tier 2 Public		
	Noncontributory	Employees Retirement	System	Noncontributory	Employees Retirement	System	Noncontributory	Employees Retirement	System
Proportion of the net pension liability (asset)	0.0393979%	0.0044177%		0.0424078%	0.0037343%		0.0412802%	0.0039098%	
Proportionate share of the net pension liability (asset)	\$252,983	\$493		\$239,964	(\$8)		\$179,248	(\$118)	
Covered payroll	\$351,178	\$36,228		\$369,111	\$24,123		\$355,770	\$19,365	
Proportionate share of the net pension liability (asset)									
as a percentage of its covered-employee payroll	72.04%	1.36%		65.01%	(0.03)%		50.40%	(0.60)%	
Plan fiduciary net position as a percentage									
of the total pension liability (asset)	87.30%	95.10%		87.80%	100.20%		90.20%	103.50%	

*In accordance with paragraph 81a of GASB Statement No. 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset). The Pool's 10-year schedule will be built prospectively. The schedule above is for the past three years.

UTAH COUNTIES INDEMNITY POOL Schedule of Contributions

The following presents the contributions as a percentage of covered-payroll for the Pool as of year ending December 31, 2017:

	As of Fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2015	\$68,175	\$68,175	\$0	369,111	18.47%
	2016	64,862	64,862	0	351,178	18.47%
	2017	63,310	63,310	0	342,770	18.47%
Tier 2 Public Employees System*	2015	3,600	3,600	0	24,123	14.92%
	2016	5,402	5,402	0	36,228	14.91%
	2017	4,846	4,846	0	32,392	14.96%
Tier 2 Public Employees DC Only	2015	0	0	0	0	0.00%
	2016	0	0	0	0	0.00%
	2017	1,071	1,071	0	16,010	6.69%

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be difference than the board certified rate due to rounding and other administrative issues. The schedule above is for the past two years.

UTAH COUNTIES INDEMNITY POOL

Notes to Required Supplementary Information

Changes in Assumptions

The following actuarial assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.50% to 7.20% and the assumed inflation rate was decreased from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by .015% from the prior year's assumption.

OTHER INDEPENDENT AUDITOR'S REPORTS



**Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance
And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
Government Auditing Standards**

The Board of Directors
Utah Counties Indemnity Pool

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pool, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, and have issued our report thereon dated April 19, 2018

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pool's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pool's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

The Board of Directors
Utah Counties Indemnity Pool
April 19, 2018
Page 2

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Larson & Company P.C.

Salt Lake City, Utah
April 19, 2018



**Independent Auditor's Report on Compliance and Report on
Internal Control Over Compliance as Required by the
State Compliance Audit Guide**

The Board of Directors
Utah Counties Indemnity Pool

Report on Compliance with General State Compliance Requirements

We have audited **Utah Counties Indemnity Pool's** compliance with the applicable general state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on **Utah Counties Indemnity Pool** for the year ended December 31, 2017.

General state compliance requirements were tested for the year ended December 31, 2017 in the following areas:

Budgetary Compliance
Utah Retirement Systems
Open and Public Meetings Act
Treasurer's Bond

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on **Utah Counties Indemnity Pool's** compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*.

Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on **Utah Counties Indemnity Pool**. An audit includes examining, on a test basis, evidence about the **Utah Counties Indemnity Pool** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements. However, our audit does not provide a legal determination of **Utah Counties Indemnity Pool's** compliance.

Opinion on General State Compliance Requirements

In our opinion, **Utah Counties Indemnity Pool**, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on **Utah Counties Indemnity Pool** for the year ended December 31, 2017.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance.

Report on Internal Control over Compliance

Management of **Utah Counties Indemnity Pool** is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Utah Counties Indemnity Pool's** internal control over compliance with the compliance requirements that could have a direct and material effect on **Utah Counties Indemnity Pool** to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of **Utah Counties Indemnity Pool's** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with general state or major state program compliance requirements that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Larson & Company P.C.

Salt Lake City, Utah
April 19, 2018



Utah Counties Indemnity Pool

FINANCIAL STATEMENTS

Quarter Ending March 31, 2018

Utah Counties Indemnity Pool

First Quarter 2018 Financial Statements

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transactions of the Utah Counties Indemnity Pool as of March 31, 2018 to the basic financial statements.

Sonya White

Chief Financial Officer

801-307-2113

sonya@ucip.utah.gov

Reviewed this _____ day of _____, 2018

By: _____

UTAH COUNTIES INDEMNITY POOL
STATEMENT of NET POSITION
Quarter Ended March 31, 2018

	<u>Mar 31, 2018</u>	<u>Dec 31, 2017</u>	<u>Mar 31, 2017</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 13,468,563	\$ 10,203,478	\$ 12,068,096
Short-term investments	903,416	201,469	383,369
Accounts receivable	3,782	-	30
Net pension asset	-	-	8
Prepaid expenses	1,066,684	250,049	979,193
TOTAL CURRENT ASSETS	<u>15,442,444</u>	<u>10,654,996</u>	<u>13,430,695</u>
INVESTMENTS	3,339,515	3,997,888	3,751,235
PROPERTY AND EQUIPMENT	538,910	538,696	538,063
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>168,435</u>	<u>168,435</u>	<u>155,055</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 19,489,304</u></u>	<u><u>\$ 15,360,016</u></u>	<u><u>\$ 17,875,048</u></u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Reserves for losses and loss adjustment expenses	\$ 8,975,925	\$ 8,975,925	7,889,992
Accounts payable	-	(687)	24,177
Accrued expenses	102,161	100,116	90,172
Contributions paid in advance	4,585,229	1,067,355	4,574,893
TOTAL CURRENT LIABILITIES	<u>13,663,315</u>	<u>10,142,709</u>	<u>12,579,233</u>
NONCURRENT LIABILITIES			
Net pension liability	253,476	253,476	239,964
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	42,671	42,671	24,330
NET POSITION			
Net investment in capital assets	538,910	538,696	538,063
Unrestricted	4,990,932	4,382,463	4,493,458
TOTAL NET POSITION	<u><u>5,529,842</u></u>	<u><u>4,921,159</u></u>	<u><u>5,031,521</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 19,489,304</u></u>	<u><u>\$ 15,360,016</u></u>	<u><u>\$ 17,875,048</u></u>

UTAH COUNTIES INDEMNITY POOL
STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION
Quarter Ended March 31, 2018

	<u>Mar 31, 2018</u>	<u>Budget</u>	<u>Over Budget</u>	<u>% of Budget</u>
OPERATING INCOME				
Contributions	\$ 1,528,410	6,108,840	(4,580,430)	25%
Investment income	66,076	75,000	(8,924)	88%
Other income	(6,129)	7,000	(13,129)	-88%
TOTAL OPERATING INCOME	<u>1,588,356</u>	<u>6,190,840</u>	<u>(4,602,484)</u>	<u>26%</u>
UNDERWRITING EXPENSES				
Losses and loss adjustment expenses	404,695	3,500,000	(2,580,997)	12%
Reinsurance coverage	349,813	1,650,000	(1,202,213)	21%
TOTAL UNDERWRITING EXPENSES	<u>754,508</u>	<u>5,150,000</u>	<u>(3,783,210)</u>	<u>15%</u>
ADMINISTRATION EXPENSES				
Trustees	4,347	55,000	(50,653)	8%
Depreciation	549	3,000	(2,451)	18%
Risk management	11,099	70,000	(58,901)	16%
Public relations	1,350	15,000	(13,650)	9%
Office	12,488	90,000	(77,512)	14%
Financial	18,962	90,000	(71,038)	21%
Personnel	170,831	675,000	(504,169)	25%
TOTAL ADMINISTRATION EXPENSES	<u>219,627</u>	<u>998,000</u>	<u>(778,373)</u>	<u>22%</u>
TOTAL OPERATING EXPENSES	<u>974,134</u>			
NET OPERATING INCOME	<u>614,222</u>			
OTHER INCOME EXPENSES				
Unrealized loss on marketable securities	<u>(5,539)</u>			
TOTAL OTHER EXPENSES	<u>(5,539)</u>			
CHANGE IN NET POSITION	608,683			
NET POSITION AT BEGINNING OF YEAR	<u>4,921,159</u>			
NET POSITION AT END OF QUARTER	<u>\$ 5,529,842</u>			

UTAH COUNTIES INDEMNITY POOL
STATEMENTS OF CASH FLOWS
Quarter Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions collected	\$ 5,042,502	\$ 6,733,831
Other fees collected	(6,129)	20,082
Reinsurance paid	(1,166,448)	(1,608,152)
Losses and loss expenses paid	(404,695)	(2,535,381)
Cash paid to employees	(168,786)	(614,587)
Other administrative expenses paid	(48,933)	(290,796)
CASH FLOWS FROM OPERATING ACTIVITIES	<u>3,247,511</u>	<u>1,704,997</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(43,573)	(352,009)
Sale of investments	-	380,000
Investment income	58,931	179,033
Purchase of capital assets	(763)	(2,253)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>15,358</u>	<u>204,771</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,262,869	1,909,768
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,203,478</u>	<u>8,293,710</u>
CASH AND CASH EQUIVALENTS AT END OF QUARTER	<u><u>\$ 13,466,347</u></u>	<u><u>10,203,478</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH		
Change in net position	\$ 608,683	268,263
Adjustments to reconcile change in net position to		
Depreciation	549	2,453
Interest on investments	(66,076)	(174,410)
Increase in equity in CRL	-	(101,858)
Net outflows of resources relating to pension	-	18,481
Unrealized gain on investments	5,539	5,238
Accounts receivable	(3,782)	75
Prepaid expenses	(816,635)	(14,994)
Reserves for loss and loss adjustment expenses	-	1,085,933
Accounts payable	(687)	(27,945)
Accrued expenses	2,045	10,562
Contributions paid in advance	3,517,874	633,199
Total adjustments	<u>2,638,828</u>	<u>1,436,734</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ 3,247,511</u></u>	<u><u>1,704,997</u></u>

UCIP Membership Application Summary

Name of Entity: Box Elder Special Service District

Sponsoring County: Box Elder County

Type of Membership Applied for: Non-Equity

Enabling Statutes and Services Provided: Title 17D. Purchase capital with mineral lease and SRS funds for safety and transportation.

Risk Factors:

Property - 0

Auto - 0

Employees - 0

Liability - 0

Loss History - 0

Additional Notes:

Proposed Liability Limits: \$5,000,000

Current Liability Limits: \$5,000,000

UCIP Annual Contribution: \$2,944

Current Insurance Premium: \$ Included with the County

Staff Recommendation: Approve Membership

Utah Counties Indemnity Pool

PARTICIPATING MEMBERS ENDORSEMENT

It is understood and agreed that the POOL is comprised of the following participating MEMBERS with full voting and equity rights:

Beaver County	Iron County	San Juan County
Box Elder County	Juab County	Sanpete County
Daggett County	Kane County	Sevier County
Davis County	Millard County	Uintah County
Duchesne County	Morgan County	Wasatch County
Emery County	Piute County	Washington County
Garfield County	Rich County	Wayne County
		Weber County

It is further understood and agreed that the POOL is comprised of the following participating non-voting, non-equity MEMBERS:

Beaver County Municipal Building Authority
Box Elder County Redevelopment Agency
Canyon Land County Improvement District (excess liability limits do not apply)
Central Utah Public Health Department
Duchesne County Municipal Building Authority
Duchesne/Wasatch Bluebench Landfill Special Service District
Emery County Municipal Building Authority
Five County Association of Governments (excess liability limits do not apply)
Juab Special Service District #2
Juab Special Service Fire District
Kane County Municipal Building Authority
Kane County Recreation & Transportation Special Service District (excess liability limits do not apply)
Piute County Municipal Building Authority
Piute Special Service District #1
San Juan Spanish Valley Special Service District
San Juan Transportation District (excess liability limits do not apply)
Seven County Infrastructure Coalition (excess liability limits do not apply)
Sevier County Municipal Building Authority
Southeastern Utah District Health Department
Southwest Utah Public Health Department
TriCounty Health Department
Uintah County Municipal Building Authority
Wasatch County Health Department
Wasatch County Parks & Recreation Special Service District #21
Wasatch County Solid Waste Disposal District
Wasatch County Special Service Area #1
Wasatch County Special Service District #9
Washington County Interlocal Agency
Washington County Municipal Building Authority
Wayne County Municipal Building Authority

Wayne Special Service District #1

Wayne Special Service District #3

Wayne Water Conservancy District

Weber County Municipal Building Authority

Weber Human Services (except that Part VII, Liability Coverage Section does not apply)

Weber-Morgan Health Department

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

ERRORS AND OMISSIONS RETROACTIVE DATES ENDORSEMENT

It is understood and agreed that the POOL provides Errors and Omissions coverage for the MEMBER on the following retroactive dates:

Beaver County	January 1, 1992	Morgan County	January 1, 2003
Box Elder County	January 1, 1992	Piute County	January 1, 1992
Daggett County	January 1, 2000	Rich County	January 1, 1992
Davis County	January 1, 1992	San Juan County	January 1, 1992
Duchesne County	January 1, 1992	Sanpete County	January 1, 1992
Emery County	January 1, 1992	Sevier County	January 1, 1992
Garfield County	January 1, 1992	Uintah County	January 1, 1992
Iron County	January 1, 1992	Wasatch County	January 1, 1992
Juab County	January 1, 1993	Washington County	January 1, 1992
Kane County	January 1, 1992	Wayne County	January 1, 1992
Millard County	January 1, 1993	Weber County	January 1, 1998

Beaver County Municipal Building Authority	December 19, 2017
Box Elder County Redevelopment Agency	January 1, 2016
Canyon Land County Improvement District	January 1, 2015
Central Utah Public Health Department	July 1, 2003
Duchesne County Municipal Building Authority	March 12, 2018
<u>Duchesne/Wasatch Bluebench Landfill Special Service District</u>	<u>February 15, 2018</u>
Emery County Municipal Building Authority	December 17, 2017
Five County Association of Governments	January 1, 2016
<u>Juab Special Service District #2</u>	<u>April 11, 2018</u>
Juab Special Service Fire District	February 15, 2018
Kane County Municipal Building Authority	February 12, 2018
Kane County Recreation & Transportation Special Service District	January 1, 2015
Piute County Municipal Building Authority	December 5, 2017
Piute Special Service District #1	October 10, 2017
San Juan Spanish Valley Special Service District	February 12, 2018
San Juan Transportation District	January 1, 2015
Seven County Infrastructure Coalition	April 14, 2015
Sevier County Municipal Building Authority	December 11, 2017
Southeastern Utah District Health Department	July 1, 2003
Southwest Utah Public Health Department	July 1, 2003
TriCounty Health Department	July 1, 2003
Uintah County Municipal Building Authority	December 18, 2017
Wasatch County Health Department	July 1, 2003
Wasatch County Parks & Recreation Special Service District #21	April 1, 2016
Wasatch County Solid Waste Disposal District	April 1, 2016
Wasatch County Special Service Area #1	April 1, 2016
Wasatch County Special Service District #9	January 1, 2017
Washington County Interlocal Agency	March 24, 2011

Washington County Municipal Building Authority
Wayne County Municipal Building Authority
Wayne Special Service District #1
Wayne Special Service District #3
Wayne Water Conservancy District
Weber County Municipal Building Authority
Weber-Morgan Health Department

December 19, 2017
January 2, 2018
December 19, 2017
April 3, 2018
December 11, 2017
December 19, 2017
July 1, 2003

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

GENERAL LIABILITY, LAW ENFORCEMENT LIABILITY AND AUTO LIABILITY RETROACTIVE DATES ENDORSEMENT

It is understood and agreed that the POOL provides General Liability, Law Enforcement Liability and Auto Liability coverage for the MEMBER on the following retroactive dates:

Beaver County	July 1, 2013	Morgan County	July 1, 2013
Box Elder County	July 1, 2013	Piute County	July 1, 2013
Daggett County	July 1, 2013	Rich County	July 1, 2013
Davis County	July 1, 2013	San Juan County	July 1, 2013
Duchesne County	July 1, 2013	Sanpete County	July 1, 2013
Emery County	July 1, 2013	Sevier County	July 1, 2013
Garfield County	July 1, 2013	Uintah County	July 1, 2013
Iron County	July 1, 2013	Wasatch County	July 1, 2013
Juab County	July 1, 2013	Washington County	July 1, 2013
Kane County	July 1, 2013	Wayne County	July 1, 2013
Millard County	July 1, 2013	Weber County	July 1, 2013
Beaver County Municipal Building Authority			December 19, 2017
Box Elder County Redevelopment Agency			January 1, 2016
Canyon Land County Improvement District			January 1, 2015
Central Utah Public Health Department			July 1, 2013
Duchesne County Municipal Building Authority			March 12, 2018
<u>Duchesne/Wasatch Bluebench Landfill Special Service District</u>			<u>February 15, 2018</u>
Emery County Municipal Building Authority			December 17, 2017
Five County Association of Governments			January 1, 2016
<u>Juab Special Service District #2</u>			<u>April 11, 2018</u>
Juab Special Service Fire District			February 15, 2018
Kane County Municipal Building Authority			February 12, 2018
Kane County Recreation and Transportation Special Service District			January 1, 2015
Piute County Municipal Building Authority			December 5, 2017
Piute Special Service District #1			October 10, 2017
San Juan Spanish Valley Special Service District			February 12, 2018
San Juan Transportation District			January 1, 2015
Seven County Infrastructure Coalition			April 14, 2015
Sevier County Municipal Building Authority			December 11, 2017
Southeastern Utah District Health Department			July 1, 2013
Southwest Utah Public Health Department			July 1, 2013
TriCounty Health Department			July 1, 2013
Uintah County Municipal Building Authority			December 18, 2017
Wasatch County Health Department			July 1, 2013
Wasatch County Parks & Recreation Special Service District #21			April 1, 2016
Wasatch County Solid Waste Disposal District			April 1, 2016
Wasatch County Special Service Area #1			April 1, 2016
Wasatch County Special Service District #9			January 1, 2017

Washington County Interlocal Agency	July 1, 2013
Washington County Municipal Building Authority	December 19, 2017
Wayne County Municipal Building Authority	January 2, 2018
Wayne Special Service District #1	December 19, 2017
<u>Wayne Special Service District #3</u>	<u>April 3, 2018</u>
<u>Wayne Water Conservancy District</u>	<u>December 11, 2017</u>
Weber County Municipal Building Authority	December 19, 2017
Weber Human Services (Auto Liability only)	January 1, 2014
Weber-Morgan Health Department	July 1, 2013

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

CYBER LIABILITY RETROACTIVE DATES ENDORSEMENT

It is understood and agreed that the POOL provides Cyber Liability coverage for the MEMBER on the following retroactive dates:

Beaver County	July 1, 2013	Morgan County	July 1, 2013
Box Elder County	July 1, 2013	Piute County	July 1, 2013
Daggett County	July 1, 2013	Rich County	July 1, 2013
Davis County	July 1, 2013	San Juan County	July 1, 2013
Duchesne County	July 1, 2013	Sanpete County	July 1, 2013
Emery County	July 1, 2013	Sevier County	July 1, 2013
Garfield County	July 1, 2013	Uintah County	July 1, 2013
Iron County	July 1, 2013	Wasatch County	July 1, 2013
Juab County	July 1, 2013	Washington County	July 1, 2013
Kane County	July 1, 2013	Wayne County	July 1, 2013
Millard County	July 1, 2013	Weber County	July 1, 2013
Beaver County Municipal Building Authority			December 19, 2017
Box Elder County Redevelopment Agency			January 1, 2016
Canyon Land County Improvement District			January 1, 2015
Central Utah Public Health Department			July 1, 2013
Duchesne County Municipal Building Authority			March 12, 2018
<u>Duchesne/Wasatch Bluebench Landfill Special Service District</u>			<u>February 15, 2018</u>
Emery County Municipal Building Authority			December 17, 2017
Five County Association of Governments			January 1, 2016
<u>Juab Special Service District #2</u>			<u>April 11, 2018</u>
Juab Special Service Fire District			February 15, 2018
Kane County Municipal Building Authority			February 12, 2018
Kane County Recreation and Transportation Special Service District			January 1, 2015
Piute County Municipal Building Authority			December 5, 2017
Piute Special Service District #1			October 10, 2017
San Juan Spanish Valley Special Service District			February 12, 2018
San Juan Transportation District			January 1, 2015
Seven County Infrastructure Coalition			April 14, 2015
Sevier County Municipal Building Authority			December 11, 2017
Southeastern Utah District Health Department			July 1, 2013
Southwest Utah Public Health Department			July 1, 2013
TriCounty Health Department			July 1, 2013
Uintah County Municipal Building Authority			December 18, 2017
Wasatch County Health Department			July 1, 2013
Wasatch County Parks & Recreation Special Service District #21			April 1, 2016
Wasatch County Solid Waste Disposal District			April 1, 2016
Wasatch County Special Service Area #1			April 1, 2016
Wasatch County Special Service District #9			January 1, 2017
Washington County Interlocal Agency			July 1, 2013

Washington County Municipal Building Authority	December 19, 2017
Wayne County Municipal Building Authority	January 2, 2018
Wayne Special Service District #1	December 19, 2017
<u>Wayne Special Service District #3</u>	<u>April 3, 2018</u>
<u>Wayne Water Conservancy District</u>	<u>December 11, 2017</u>
Weber County Municipal Building Authority	December 19, 2017
Weber Human Services (Auto Liability only)	January 1, 2015
Weber-Morgan Health Department	July 1, 2013

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

UTAH COUNTIES INDEMNITY POOL GRAMA POLICY

SECTION I. Effective Date and Frequency of Review.

- A. This policy was originally adopted on February 16, 2017 and made effective on that date.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing access to or management of records of interlocal agencies are amended in a manner which would require review and update to this policy.

SECTION II. Purpose.

- A. This policy outlines the policies of the Board related to the classification, maintenance and release of records that are created or maintained by UCIP.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all records created, stored or maintained by UCIP.
- B. This policy applies to all requests for release of records received in accordance with the Utah Government Records Access Management Act.

SECTION V. Definitions.

- A. "Board" means the UCIP Board of Directors.
- B. "CFO" means the UCIP Chief Financial Officer.
- C. "GRAMA" means the Utah Government Records Access Management Act.

SECTION VI. Policy Statements.

- A. It is the policy of the Board to comply with the Utah Government Records and Access Management Act.

SECTION VII. Procedures and Responsibilities.

- A. The Records Officer, as required and defined by GRAMA, shall be the CFO.

- B. The Chief Administrative Officer, as required and defined by GRAMA, shall be the CEO.
- C. When fees for responding to a GRAMA request are appropriate and allowed under GRAMA, the following fee schedule will be used to determine the fee charged. Fees may be reduced or waived if recommended by the CFO and approved by the Board.

<u>Position Required to Respond</u>	<u>Rate per hour</u>	<u>Copying fee</u>
<u>CFO/Records Officer</u>	<u>\$39.00</u>	<u>\$0.05</u>
<u>Operations Specialist</u>	<u>\$24.00</u>	<u>\$0.05</u>

SECTION VIII. Revision History.

- A. Original Policy Adoption: February 16, 2017.
- B. Revised: April 19, 2018.

SECTION IX. Appendices.

- A. There are no appendices to this policy.

**UTAH COUNTIES INDEMNITY POOL
BOARD MEETING RULES OF ORDER AND PROCEDURE POLICY**

SECTION I. Effective Date and Frequency of Review.

- A. The effective date of this policy is April 19, 2018.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing the rules of procedure of board meetings of interlocal agencies are amended in a manner which would require review and update to this policy, or when the individual serving as Chair of the Board is changed.

SECTION II. Purpose.

- A. This policy outlines the Rules of Procedure of meetings of the Board in accordance with U.C.A. §11-13-404(3)(b)(i) and the UCIP Interlocal Agreement.
- B. The purpose of having formal written rules of procedure is to assure efficiency and compliance in all meetings conducted by the Board.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all meetings of the Board when acting as a public body.
- B. Meetings of the Board will include meetings held in person and electronically. Meetings held electronically will also comply with the policies and procedures identified in the Electronic Meeting Policy of the Board.

SECTION V. Definitions.

- A. "Agenda" means the properly noticed agenda of a meeting of the Board.
- B. "Board" means the UCIP Board of Directors.
- C. "Chair" means the individual conducting a meeting of the UCIP Board of Directors.
- D. "Clerk" means the individual taking the minutes of a meeting of the Board.
- E. "Meeting" means a meeting as defined in OPMA.

- F. "Public body" has the meaning as defined in OPMA.
- G. "OPMA" means the Utah Open and Public Meetings Act.

SECTION VI. Policy Statements.

- A. These rules of procedure shall be made available to the public at each meeting of the Board and on the UCIP website.
- B. The individual Board member who chairs a meeting of the Board shall assure these rules of procedure are adhered to during the meeting.

SECTION VII. Procedures and Responsibilities.

The Board has adopted a code of conduct for its meetings which follows three basic rules of conduct:

1. Courtesy is required at all times;
2. Discussion of other member's motives is never allowed; and
3. No one may speak on a motion a second time until everyone who wishes to do so has spoken once.

The following formal rules of procedure shall be used for each meeting of the Board:

- A. The Chair of a meeting of the Board shall call the meeting to order at the time shown in the notice of each such meeting.
- B. The roll of members present shall be called at each meeting and recorded in the minutes.
- C. The Chair shall conduct the meeting in an orderly, efficient and civil manner, and in accordance with all requirements of OPMA.
- D. The Chair shall assure no deliberation or action is taken on an item which was not properly noticed on the agenda.
- E. The Chair shall open each item on the Agenda for discussion, deliberation and/or action, in the order shown on the properly noticed Agenda, unless the order of the Agenda has been modified by action of the Board.
- F. The Chair shall not unreasonably refuse to recognize a member of the Board when the Board member requests to be recognized for purposes of discussion or making a motion on an item on the Agenda.

- G. The Chair shall have discretion to recognize staff, invited guests and the public to provide information or answer questions of the Board on items noticed for action or discussion on the agenda. The Chair shall have discretion to limit time provided to staff, invited guests and the public when they are recognized to speak on an item.
- H. A member of the Board who has been recognized by the Chair may make a motion to take action on an item that the Chair has opened for discussion on the agenda.
- I. The Chair shall solicit a second on a motion made by a member of the Board.
 - 1. If no member of the Board seconds the motion, the Chair shall announce the motion failed for lack of a second.
 - 2. If a motion is made and seconded, the Chair shall solicit further discussion of the Board on the motion.
- J. A friendly amendment may be made by a member of the Board who is not the maker or second of a motion. The Chair shall confirm the maker and second of a motion are in favor of the friendly amendment before the motion is amended.
- K. A motion may not be made by a member of the Board if a motion that has been seconded is pending, to avoid multiple motions being open simultaneously.
- L. If a motion fails for lack of a second, or fails upon a vote of the Board, a new motion may be made by any member of Board on the item, once they have been recognized by the Chair.
- M. A member who believes further discussion on a motion is not needed may call the question to have a vote taken on the motion.
- N. When the Chair shall call for a vote on the motion when satisfied there is no further discussion on a motion necessary, or the question has been properly called,
 - 1. The Chair shall call for a vote on a motion by repeating or having the Clerk repeat the motion and asking for all those in favor to signify by specific sign, and all those opposed to signify by specific sign.
 - 2. If the vote on a motion is not unanimous, the Chair shall conduct a roll call vote to assure the vote of each member of the Board is documented in the minutes of the meeting.
- O. When all business to be conducted on the agenda has been completed, the Chair shall solicit, or a member of the Board may offer, a motion to adjourn the meeting. If a second is made on a motion to adjourn, the Chair shall adjourn the meeting without debate.

SECTION VIII. Revision History.

Original Policy Adoption: June, 2014

Revised: April 19, 2018

SECTION IX. Appendices.

There are no appendices to this policy.

**UTAH COUNTIES INDEMNITY POOL
MINUTES, RECORDINGS AND RECORDS OF MEETINGS POLICY**

SECTION I. Effective Date and Frequency of Review.

- A. The Board originally adopted the Written Minutes of Open Meetings – Public Records – Recordings of Meetings Policy on April 20, 2017.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing the minutes, recordings or records of interlocal agencies are amended in a manner which would require review and update to this policy.

SECTION II. Purpose.

- A. This policy outlines the policies and procedures of the Board related to written minutes, recordings and public records related to open public meetings of UCIP.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all “meetings” of UCIP when acting as a “public body” as defined by OPMA.

SECTION V. Definitions.

- A. “Board” means the UCIP Board of Directors.
- B. “OPMA” means the Utah Open and Public Meetings Act.
- C. “Recording” means electronic audio recording of meetings.

SECTION VI. Policy Statements.

- A. It is the policy of the Board to comply with state law regarding written minutes, recordings and public records related to open public meetings.

SECTION VII. Procedures and Responsibilities.

- A. Within three business days after holding an open meeting, an audio recording of the open meeting will be available to the public for listening.

- B. Pending minutes will be available to the public within a reasonable time after holding the open meeting that is the subject of the pending minutes.
- C. Pending minutes will be submitted to the UCIP Board at their next meeting by the Secretary/Treasurer of the Board for changes, additions and approval by majority vote.
- D. Minutes approved by the Board will be presented to the Chair of the Board for signature. Once approved by the Board and signed by the Chair of the Board, those minutes will be the official record of the open meeting that is the subject of the approved minutes.
- E. Within three business days after approving written minutes, the approved minutes will be available to the public, and will be placed on both the State Public Notice website, and the UCIP website.

SECTION VIII. Revision History.

- A. Original Policy Adoption: April 20, 2017

SECTION IX. Appendices.

- A. There are no appendices to this policy.

UTAH COUNTIES INDEMNITY POOL PURCHASING POLICY

SECTION I. Effective Date and Frequency of Review.

- A. The Board originally adopted the Purchasing Policy on August 18, 2016.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing the purchasing practices of interlocal agencies are amended in a manner which would require review and update to this policy.

SECTION II. Purpose.

- A. This policy outlines the policy of the Board related to purchases made using UCIP funds.
- B. The underlying purposes of this policy are to:
 - 1. Ensure fair and equitable treatment of all persons who wish to, or do conduct business with UCIP.
 - 2. Provide for the greatest possible economy in UCIP's procurement activities.
 - 3. Foster effective, broad-based competition within the free enterprise system to ensure that UCIP will receive the best possible services or products at the lowest possible prices.

SECTION III. Authority.

- A. The Board has the authority to adopt and amend this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all purchases made using UCIP funds.
- B. This policy shall not prevent UCIP from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.
- C. When procurement involves the expenditure of federal assistance funds, UCIP shall comply with applicable federal law and regulations.

SECTION V. Definitions.

- A. "Board" means the UCIP Board of Directors.

- B. "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
- C. "Change Order" means a written order signed by the purchasing agent, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the purchasing agent to order without the consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.
- D. "CEO" means the UCIP Chief Executive Officer.
- E. "CFO" means the UCIP Chief Financial Officer.
- F. "Contract" means any agreement entered into by UCIP for the procurement or disposal of supplies, services, or construction, but shall not mean any policy of insurance, excess insurance or reinsurance, bond, surety or other risk financing instrument.
- G. "Invitation for bids" means all documents, whether attached or incorporated by reference, used for soliciting bids.
- H. "Person" means any business, individual, union, committee, club, other organization, or group of individuals.
- I. "Professional services" means labor, effort or work that requires an elevated degree of specialized knowledge and discretion, including accounting, architecture, construction and design management, engineering, financial services, information technology, insurance brokerage, legal, medical, or underwriting.
- J. "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.
- K. "Purchasing agent" means the CEO or other person duly authorized by the Board to enter into and administer contracts and make written determinations with respect thereto.
- L. "Purchase description" means the words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to or made a part of the solicitation.
- M. "Request for Proposals" or "RFP" means all documents, whether attached or incorporated by reference, used for soliciting proposals.

- N. "Request for Qualifications" or "RFQ" means a document used to solicit information about the qualifications of a person interested in providing services including all other documents attached to that document or incorporated in that document by reference.

SECTION VI. Policy Statements.

- A. All purchases and procurements shall be conducted under the procedures outlined in this policy in a fair and equitable manner.
- B. All purchases and procurements shall be made in a manner providing UCIP the most advantageous terms, conditions, cost and quality of products or services.

SECTION VI. Procedures and Responsibilities.

- A. The CEO shall act in the capacity of Purchasing Agent. The Purchasing Agent shall be responsible to make procurements, solicit bids and proposals, enter into and administer contracts, and make written determinations under this policy. The Purchasing Agent may delegate purchasing authority to the CFO at their discretion.
- B. The following purchases shall not require use of a bidding process:
1. Purchases costing less than \$5,000 in total shall not require bids of any type;
 2. Purchases costing more than \$5,000 but less than \$10,000 in total, shall require at least 3 telephone bids, but shall not require any other type of bid;
 3. Purchases under paragraphs 1 and 2 shall not be artificially divided so as to constitute a small purchase;
 4. Purchases made through the cooperative purchasing contracts administered by the State Division of Purchasing;
 5. Purchases made from a single-source provider as determined by the Purchasing Agent;
 6. Purchase of professional services;
 7. Purchase of services if the Purchasing Agent opines in writing to the Board that the services are of such a nature, or require being provided in such a nature, as to be best provided by a specific source; or
 8. Purchases required during an emergency, i.e., an eminent threat to the public's health, welfare or safety. However, as much competition as practical should be obtained and such purchases should be limited to amounts necessary to the resolution of the emergency.

C. All purchases not exempted from the bidding process under paragraphs B,D or E shall be subject to bidding procedures as follows:

1. Contracts shall be awarded by competitive sealed bidding except as otherwise provided by this policy;
2. An invitation for bids shall be issued when a contract is to be awarded by competitive sealed bidding. The invitation shall include a purchase description and all contractual terms and conditions applicable to the procurement. Public notice of the invitation for bids shall be given at least 30 days prior to the date set forth therein for the opening of bids. The notice may include publication in a newspaper of general circulation.
3. Any procurement by sealed bid in excess of \$10,000 shall require a legal notice in a local newspaper of general circulation.
4. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The amount of each bid and any other relevant information, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.
5. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids.
6. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of UCIP or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the Purchasing Agent.
7. The contract shall be awarded with reasonable promptness, by written notice, to the lowest bidder whose bid meets the requirements and criteria set forth in the invitation for bids as determined and approved by the Board.

D. When the Purchasing Agent determines in writing that the use of competitive bidding is either not practicable or not advantageous to UCIP, a contract may be entered into using a competitive proposal process described herein. The competitive proposal process is most appropriately used for professional service type contracts. The following procedures shall be used in the competitive proposal process:

1. Proposals shall be solicited through a Request for Proposals (RFP). Public notice of the RFP shall be given at least 30 days prior to the advertised date of the opening of the proposals.

2. Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of evaluation and negotiation. A register of proposals shall be prepared and shall be open for public inspection after contract award.
 3. The RFP shall state the relative importance of price and other evaluating factors.
 4. Evaluation of proposals shall be conducted by a committee of at least two persons, one of whom shall be the Purchasing Agent, as appointed by the Board.
 5. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors, except to the extent required by law.
 6. Award shall be made to the person whose proposal is determined, in writing, to be most advantageous to UCIP, taking into consideration price and the evaluation factors set forth in the RFP. The contract file shall contain the basis on which the award is made.
- E. When the Purchasing Agent determines in writing that the services to be contracted for ~~is~~ are a qualification-based procurement, a contract may be entered into using a Request for Qualifications process described herein. The qualification-based process is most appropriately used for professional services of Brokers or Architect- Engineering services. The following procedures shall be used in the qualification-based process:
1. Qualification-based services should be solicited through a Request for Qualifications (RFQ).
 2. RFQ's should be publicly announced.
 3. Contracts should be negotiated by UCIP based on demonstrated competence at fair and reasonable prices.
- F. When the Purchasing Agent determines it is in the best interest of UCIP to use the competitive RFP process under paragraph D, or the competitive RFQ process under paragraph E, the Purchasing Agent shall notify the Board of such determination before initiating the process. The Board may create an ad-hoc committee to assist the Purchasing Agent in the process of developing, analyzing and making recommendation to the Board regarding such RFP or RFQ.
- G. Determination of non-responsiveness of a bidder or offeror shall be made in writing. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsiveness may be grounds for a determination of non-responsiveness with respect to the bidder or offeror.

- H. An invitation for bids, a request for proposals, a request for qualification, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interests of UCIP. The reasons shall be made a part of the contract file.
- I. Any type of contract which will promote the best interests of UCIP may be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to UCIP than any other type or that it is impracticable to obtain the supplies, services or construction required except under such a contract.
- J. The following contractual clauses shall be included in all contracts unless an engagement letter is used for professional services, or exception is made by the Board:
 - 1. The unilateral right of UCIP to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.
 - 2. Variations occurring between estimated quantities of work in a contract and actual quantities
 - 3. Suspension of work ordered by UCIP.
- J. All specifications or descriptions of services shall seek to promote overall economy and best use for the purposes intended, and encourage competition in satisfying UCIP's needs, and shall not be unduly restrictive. Where practical and reasonable, and within the scope of Utah law, Utah products shall be given preference.
- K. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may appeal their grievance in the following manner:
 - 1. An aggrieved bidder, offeror or contractor shall submit an appeal with the Purchasing Agent in writing within 5 working days after the aggrieved person knows or should have known of the facts.
 - 2. The Purchasing Agent shall promptly issue a written decision regarding any appealgrievance, if it is not settled by mutual agreement. The decision shall state that reasons for the action taken and inform the appellant of the right to appeal to the Board.
 - 3. The appellant shall submit a request for appeal of the Purchasing Agent's decision in writing to the Purchasing Agent within 5 working days of the date of the Purchasing Agent's decision.

4. The Purchasing Agent shall promptly provide the Board with the request for appeal, along with all relevant information, including the Purchasing Agent's written decision.
 5. The Board shall consider the appeal and shall provide the appellant with a written decision.
 6. The Board shall be the final appeal.
- L. No person involved in making a procurement decision on behalf of UCIP may have personal investments in any business entity which will create a substantial conflict between their private interests and their public duties.
- M. Any person involved in making procurement decisions on behalf of UCIP is subject to discipline up to and including termination~~guilty of a felony~~ if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization from any person or organization interested in selling to UCIP.

SECTION VII. Revision History.

- A. Original Policy Adoption: August 18, 2016
- B. Revised: April 19, 2018

SECTION VIII. Appendices.

- A. There are no appendices to this policy.



Agenda: Day One

8:00 am – 5:00 pm Thursday, April 12, 2018 UT Cultural Celebration Center

8:00am – 8:30 am **Welcome & Introductions** Great Hall West
Continental Breakfast
 Michael Ongkiko, Salt Lake County

8:30 am – 10:00 am **Millennial Panel Discussion** Great Hall West
We will come together to discover and discuss ideas, straight from the Mouths of Millennials.
 Jami McCart, Tooele County

10:00 am – 10:15 am **Break**

10:15 am – 11:30 am **Data Driven Decisions & The HR Data Dashboard** Great Hall West
Using real time data to reach your Human Resource goals, and Utilizing dashboards to become strategic business partners.
 Julio Garcia, Salt Lake City & Debbie Wine, Salt Lake County

11:30 am – 12:30 pm **Accommodating Transgender Employees In the Workplace** Great Hall West
How to support transgender employees in the workplace. Covering the topics of best practices, laws & policies and effective solutions.
 Alison Smith & Nilsa Carter, Salt Lake County

12:30 pm- 1:30 pm **Lunch**

1:30 pm – 2:30 pm **Social Media & Branding in the Public Sector** Great Hall West
A focus on the benefits of Social Media as a tool in recruitment and branding.
 James Roberts, Redirect Digital & Direct Marketing

2:30 pm – 3:30 pm **Rethinking Performance Evaluations** Great Hall West
Do performance reviews result in improved performance? Tools and techniques to make performance discussions more meaningful.
 Tracy Field, Field HR

3:30 pm- 3:45 pm **Break**

3:45 pm – 4:45 pm **2017 Employee Benefits Study: Findings & Forecasts** Great Hall West
Annual review of Benefit Programs and their impact on employees.
 Dave Jackson, NFP

April 12-13, 2018

Utah Cultural Celebration Center • 1355 W. 3100 S. • West Valley City, UT 84119





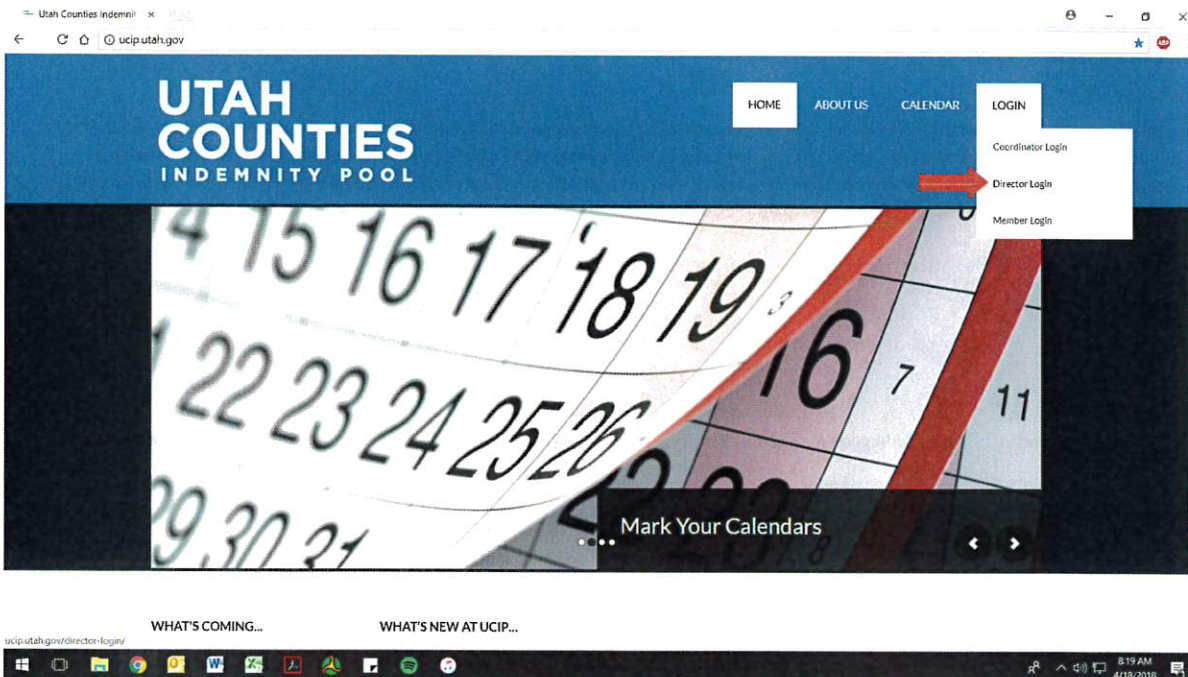
Agenda: Day Two

8:00 am – 12:30 pm	Friday, April 13, 2018	UT Cultural Celebration Center
8:00 am – 8:30 am	Day Two Introduction <i>Continental Breakfast</i> Michael Ongkiko, Salt Lake County	Great Hall West
8:30 am – 9:30 am	Succession Planning in the Public Sector <i>Best practices on how to develop talent throughout your organization and plan for the future.</i> Martinha Penrod, Salt Lake County Tom Trevino, Salt Lake County Ron Lund, Salt Lake County	Great Hall West
9:30am -10:30 am	Why Employee Training! <i>How to create a training program tailored to your organization's size and needs.</i> Mary Van Buren, Salt Lake County	Great Hall West
10:30 am – 10:45 am	Break	
10:45 am – 11:15 am	Roundtable Discussions by Discipline <ul style="list-style-type: none"> • <i>Recruitment</i> • <i>Compensation</i> • <i>Employee Relations</i> 	Room 202 Room 204 Room 205
11: 20 am – 12:00 pm	Roundtable Discussions by Discipline <ul style="list-style-type: none"> • <i>Employee Benefits</i> • <i>Employee Training</i> • <i>Performance Management</i> 	Room 202 Room 204 Room 205
12:00 pm – 12:30 pm	Closing & Feedback	Great Hall West

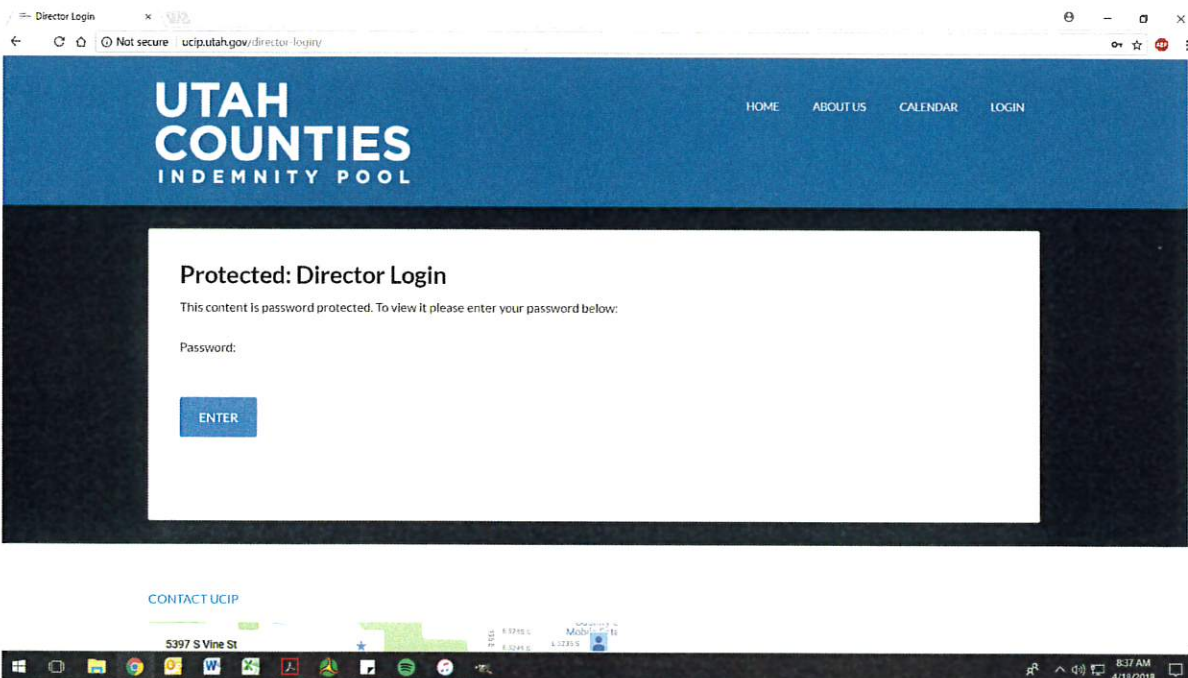
April 12-13, 2018

Utah Cultural Celebration Center • 1355 W. 3100 S. • West Valley City, UT 84119





The Director Login is located under the LOGIN section of the UCIP website.



Director Login Password: **ucip1992**

Protected: Director Login

LOGOUT

Welcome to the Board of Directors Online Portal. Information to assist you in governing the Pool is just a click away. The UCIP Board is comprised of 13 persons in the following manner: three second class, one third class, one fourth class, and one fifth/sixth class county representative's; three at-large county representatives; one county attorney; one county auditor; one county personnel director; and one county sheriff. Directors shall serve four-year overlapping terms. Board meetings are held on the third Thursday of every even month of the year.



Acts & Statutes



Financial Reports



Governance Documents



History



Meetings



Member Services



Members



Partner Relationships



Reinsurance



Staff



Trustees